



ANNUAL STATEMENT

For the Year Ending December 31, 2008
OF THE CONDITION AND AFFAIRS OF THE

NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

NAIC Group Code	0000	,	0000	NAIC Company Code	67032	Employer's ID Number	56-0340860
	(current period)		(prior period)				
Organized under the Laws of	North Carolina			State of Domicile or Port of Entry	NORTH CAROLINA		
Country of Domicile	United States of America						
Incorporated/Organized	02/28/1899			Commenced Business	04/01/1899		
Statutory Home Office	411 W. Chapel Hill Street			Durham, NC 27701-3616			
	(Street and Number)			(City or Town, State and Zip Code)			
Main Administrative Office	411 W. Chapel Hill Street						
	Durham, NC 27701-3616			(919) 682-9201			
	(City or Town, State and Zip Code)			(Area Code)(Telephone Number)			
Mail Address	411 W. Chapel Hill Street			Durham, NC 27701-3616			
	(Street and Number)			(City or Town, State and Zip Code)			
Primary Location of Books and Records	411 W. Chapel Hill Street						
	Durham, NC 27701-3616			(919) 682-9201			
	(City or Town, State and Zip Code)			(Area Code)(Telephone Number)			
Internet Website Address	ncmutuallife.com						
Statutory Statement Contact	Kamlesh Shah			(919) 313-7807			
	(Name)			(Area Code)(Telephone Number)			
	kshah@ncmutuallife.com			(919) 313-8723			
	(E-Mail Address)			(Fax Number)			

PRINCIPAL OFFICERS***

President and Chief Executive Officer	JAMES HERBERT SPEED JR., CPA
Senior Vice President–Chief Operating Officer	RICHARD LEE HALL
Sr. Vice President of Administration/Human Resources	GRACIE ANN JOHNSON-LOPEZ, SPHR
Vice President–Accounting Services	DAVID ALAN BAYLOCK
Vice President-Corporate Actuary	STAFFORD LEROY THOMPSON, JR, FSA, MAAA
Vice President-Group Marketing	ARTHELL DAMON DAVIS
Vice President-Individual Marketing	RONALD RUSSELL CORLEW

DIRECTORS***

CAROL MOSELEY BRAUN	ERSKINE BOYCE BOWLES	JULIUS LEVONNE CHAMBERS
BERT COLLINS, Chairman	JOE LOUIS DUDLEY, SR.	NATHAN TAYLOR GARRETT, SR.
ELLIOTT SAWYER HALL	JAMES HERBERT SPEED, JR.	THEODORE WALSTEIN LONG, JR.
PHAIL WYNN JR. #		

State of North Carolina

County of Durham ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
James Herbert Speed, Jr.	Richard Curtis Barnes	David Alan Baylock
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President, CEO	Corporate Secretary	Vice President - Accounting Services
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

day of February , 2009

(Notary Public Signature)

a. Is this an original filing? Yes [X] No []

b. If no:

1. State the amendment number	
2. Date filed	
3. Number of pages attached	

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	103,112,427		103,112,427	84,083,332
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	1,017,843		1,017,843	869,923
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens	12,791,745	130,013	12,661,732	11,593,029
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)	18,840	18,840		24,324
5.	Cash (\$.....2,131,761 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....10,038,901 Schedule DA)	12,170,662		12,170,662	6,931,060
6.	Contract loans (including \$.....0 premium notes)	6,600,045	206,235	6,393,810	4,955,389
7.	Other invested assets (Schedule BA)	33,182	33,182		95,410
8.	Receivables for securities	671,669		671,669	47,275
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	136,416,413	388,270	136,028,143	108,599,742
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	1,592,576	14,119	1,578,457	1,510,349
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection	2,515,878		2,515,878	4,075,057
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	2,707,150		2,707,150	2,825,754
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	1,523,226		1,523,226	1,117,342
14.2	Funds held by or deposited with reinsured companies	935,130		935,130	
14.3	Other amounts receivable under reinsurance contracts	5,448,495	3,736	5,444,759	5,893,809
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon	40,371		40,371	40,371
16.2	Net deferred tax asset	12,219,440	12,219,440		
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	34,447	30,469	3,978	12,379
19.	Furniture and equipment, including health care delivery assets (\$.....0)	5,175	5,175		
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....0) and other amounts receivable				
23.	Aggregate write-ins for other than invested assets	10,491,643	1,857,850	8,633,793	8,657,919
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	173,929,944	14,519,059	159,410,885	132,732,722
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	173,929,944	14,519,059	159,410,885	132,732,722
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	CSV OFFICERS INSURANCE	8,530,524		8,530,524	8,265,212
2302.	NOTES RECEIVABLE - EDH	3,115	3,115		
2303.	ADVANCES TO AGENTS	532,221	532,221	0	
2398.	Summary of remaining write-ins for Line 23 from overflow page	1,425,783	1,322,514	103,269	392,707
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	10,491,643	1,857,850	8,633,793	8,657,919

LIABILITIES, SURPLUS AND OTHER FUNDS

		1	2
		Current Year	Prior Year
1.	Aggregate reserve for life contracts \$.....125,526,478 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....26,292,703 Modco Reserve)	125,526,038	95,943,006
2.	Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$.....0 Modco Reserve)	423,509	401,897
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve)	2,725,605	2,796,140
4.	Contract claims:		
4.1	Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10, and 11)	8,278,749	7,987,696
4.2	Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10, and 11)	180,653	907,374
5.	Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10)		
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1	Dividends apportioned for payment (including \$.....0 Modco)	549,346	453,793
6.2	Dividends not yet apportioned (including \$.....0 Modco)		
6.3	Coupons and similar benefits (including \$.....0 Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....11,611 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14)	222,315	206,587
9.	Contract liabilities not included elsewhere:		
9.1	Surrender values on canceled contracts		
9.2	Provision for experience rating refunds, including \$.....0 A & H experience rating refunds		
9.3	Other amounts payable on reinsurance; including \$.....0 assumed and \$.....0 ceded		
9.4	Interest Maintenance Reserve (IMR, Line 6)		
10.	Commissions to agents due or accrued-life and annuity contracts \$.....0 accident and health \$.....94,009 and deposit-type contract funds \$.....0	294,009	126,123
11.	Commissions and expense allowances payable on reinsurance assumed	81,284	60,892
12.	General expenses due or accrued (Exhibit 2, Line 12, Column 6)	916,942	1,230,766
13.	Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	(25,123)	(200,305)
15.1	Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)		
15.2	Net deferred tax liability		
16.	Unearned investment income	63,975	15,618
17.	Amounts withheld or retained by company as agent or trustee	(144,835)	739,242
18.	Amounts held for agents' account, including \$.....0 agents' credit balances	(151,047)	19,443
19.	Remittances and items not allocated	441,136	448,648
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above	3,958,985	4,049,660
22.	Borrowed money \$.....0 and interest thereon \$.....0		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
24.1	Asset Valuation Reserve (AVR, Line 16, Column 7)	608,371	746,399
24.2	Reinsurance in unauthorized companies		
24.3	Funds held under reinsurance treaties with unauthorized reinsurers		
24.4	Payable to parent, subsidiaries and affiliates		
24.5	Drafts outstanding	164,472	201,935
24.6	Liability for amounts held under uninsured plans		
24.7	Funds held under coinsurance	2,915,105	716,275
24.8	Payable for securities		
24.9	Capital notes \$.....0 and interest thereon \$.....0		
25.	Aggregate write-ins for liabilities	2,886,345	2,910,059
26.	Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	149,915,834	119,761,248
27.	From Separate Accounts Statement		
28.	TOTAL LIABILITIES (Lines 26 and 27)	149,915,834	119,761,248
29.	Common capital stock		
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds		
32.	Surplus Notes		
33.	Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)		
34.	Aggregate write-ins for special surplus funds	8,156,539	8,335,869
35.	Unassigned funds (surplus)	1,338,512	4,635,605
36.	Less treasury stock, at cost:		
36.1	.....0 shares common (value included in Line 29 \$.....0)		
36.2	.....0 shares preferred (value included in Line 30 \$.....0)		
37.	Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$.....0 in Separate Accounts Statement)	9,495,051	12,971,474
38.	TOTALS of Lines 29, 30 and 37 (Page 4, Line 55)	9,495,051	12,971,474
39.	TOTALS of Lines 28 and 38 (Page 2, Line 26, Column 3)	159,410,885	132,732,722
DETAILS OF WRITE-INS			
2501.	GROUP LIFE FUNDS HELD ON DEPOSIT	2,886,345	2,910,059
2502.	.....	
2503.	.....	
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,886,345	2,910,059
3101.	.....	
3102.	.....	
3103.	.....	
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401.	APPROPRIATION OF DESTRENGTHENED RESERVES	751,505	786,520
3402.	SURPLUS FROM REINSURANCE	7,405,034	7,549,349
3403.	.....	
3498.	Summary of remaining write-ins for Line 34 from overflow page		
3499.	TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)	8,156,539	8,335,869

SUMMARY OF OPERATIONS

		1	2
		Current Year	Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col.11)	37,311,837	46,746,296
2.	Considerations for supplementary contracts with life contingencies		
3.	Net investment income (Exhibit of Net Investment Income Line 17)	7,326,219	5,992,002
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	215,296	403,468
5.	Separate Accounts net gain from operations excluding unrealized gains or losses		
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)	12,147,768	5,195,043
7.	Reserve adjustments on reinsurance ceded	23,706,148	301,632
8.	Miscellaneous Income:		
8.1	Income from fees associated with investment management, administration and contract guarantees from Separate Accounts ...		
8.2	Charges and fees for deposit-type contracts		
8.3	Aggregate write-ins for miscellaneous income	(157,379)	1,065,704
9.	Totals (Lines 1 to 8.3)	80,549,889	59,704,145
10.	Death benefits	24,985,211	22,489,256
11.	Matured endowments (excluding guaranteed annual pure endowments)	249,588	259,915
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Columns 4 + 8)		
13.	Disability benefits and benefits under accident and health contracts	579,596	12,883,291
14.	Coupons, guaranteed annual pure endowments and similar benefits		
15.	Surrender benefits and other fund withdrawals for life contracts	2,315,760	2,179,016
16.	Group conversions	17,494	37,392
17.	Interest and adjustments on contract or deposit-type contract funds	4,425	64,050
18.	Payments on supplementary contracts with life contingencies	8,287	4,932
19.	Increase in aggregate reserves for life and accident and health contracts	29,379,771	(1,167,253)
20.	Totals (Lines 10 to 19)	57,540,132	36,750,599
21.	Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	2,190,835	1,706,978
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)	8,202,049	1,549,863
23.	General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	15,715,293	18,434,360
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Columns 1 + 2 + 3)	1,380,125	1,653,719
25.	Increase in loading on deferred and uncollected premiums	(683,829)	(180,404)
26.	Net transfers to or (from) Separate Accounts net of reinsurance		
27.	Aggregate write-ins for deductions	216,610	3,653,041
28.	Totals (Lines 20 to 27)	84,561,215	63,568,156
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(4,011,326)	(3,864,011)
30.	Dividends to policyholders	522,764	429,801
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(4,534,090)	(4,293,812)
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)		
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(4,534,090)	(4,293,812)
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR)	124,265	1,455,960
35.	Net Income (Line 33 plus Line 34)	(4,409,825)	(2,837,852)
CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	12,971,474	14,944,904
37.	Net Income (Line 35)	(4,409,825)	(2,837,852)
38.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	251,492	(7,196)
39.	Change in net unrealized foreign exchange capital gain (loss)		
40.	Change in net deferred income tax	1,225,487	963,417
41.	Change in nonadmitted assets	72,913	361,015
42.	Change in liability for reinsurance in unauthorized companies		
43.	Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)		
44.	Change in asset valuation reserve	138,029	267,375
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)		
46.	Surplus (contributed to) withdrawn from Separate Accounts during period		
47.	Other changes in surplus in Separate Accounts Statement		
48.	Change in surplus notes		
49.	Cumulative effect of changes in accounting principles		
50.	Capital changes:		
50.1	Paid in		
50.2	Transferred from surplus (Stock Dividend)		
50.3	Transferred to surplus		
51.	Surplus adjustment:		
51.1	Paid in		
51.2	Transferred to capital (Stock Dividend)		
51.3	Transferred from capital		
51.4	Change in surplus as a result of reinsurance	(222,473)	(410,010)
52.	Dividends to stockholders		
53.	Aggregate write-ins for gains and losses in surplus	(532,046)	(310,180)
54.	Net change in capital and surplus for the year (Lines 37 through 53)	(3,476,422)	(1,973,431)
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	9,495,051	12,971,474
DETAILS OF WRITE-INS			
08.301.	MISCELLANEOUS INCOME	121,610	677,181
08.302.	MISCELLANEOUS INCOME ADMINISTRATIVE SERVICE CHARGE	146,467	357,628
08.303.	OI CHANGE IN CONVERSION POOL ASSETS-ASSUMED	(349,735)	1,057,495
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	(75,721)	(1,026,599)
08.399.	TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(157,379)	1,065,704
2701.	DEFERRED COMP	670,963	844,104
2702.	QUALIFIED PENSION BENEFIT COST		715,801
2703.	LEGAL SETTLEMENT	2,145	90,000
2798.	Summary of remaining write-ins for Line 27 from overflow page	(456,498)	2,003,136
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	216,610	3,653,041
5301.	SURPLUS INC / DEC - PRIOR PERIOD ADJUSTMENT - 2007 AUDIT ADJUSTMENTS	298,278	(310,180)
5302.	SURPLUS INC / DEC - OTHER PRIOR PERIOD ADJUSTMENTS	(830,323)	
5303.	.....	
5398.	Summary of remaining write-ins for Line 53 from overflow page		
5399.	TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)	(532,046)	(310,180)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	39,689,177	46,988,626
2.	Net investment income	7,526,654	5,877,634
3.	Miscellaneous income	35,696,537	8,314,176
4.	Total (Lines 1 through 3)	82,912,368	61,180,436
5.	Benefit and loss related payments	29,324,875	40,702,050
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	26,724,272	25,778,015
8.	Dividends paid to policyholders	427,211	385,402
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		40,371
10.	Total (Lines 5 through 9)	56,476,358	66,905,838
11.	Net cash from operations (Line 4 minus 10)	26,436,010	(5,725,402)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	41,247,258	31,871,321
12.2	Stocks	43,750	
12.3	Mortgage loans	1,750,031	918,517
12.4	Real estate	218,376	
12.5	Other invested assets	7,800	1,603,427
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		22,938
12.8	Total investment proceeds (Lines 12.1 to 12.7)	43,267,215	34,416,203
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	60,271,572	35,699,015
13.2	Stocks	62,810	129,920
13.3	Mortgage loans	2,781,383	1,713,512
13.4	Real estate	166,984	
13.5	Other invested assets		
13.6	Miscellaneous applications	624,571	47,275
13.7	Total investments acquired (Lines 13.1 to 13.6)	63,907,320	37,589,722
14.	Net increase (decrease) in contract loans and premium notes	1,644,656	105,986
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(22,284,761)	(3,279,504)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities	(70,535)	(11,846)
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	1,158,886	(1,514,703)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,088,351	(1,526,549)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	5,239,600	(10,531,455)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	6,931,060	17,462,514
19.2	End of year (Line 18 plus Line 19.1)	12,170,660	6,931,059

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANNUAL STATEMENT FOR THE YEAR 2008 OF THE NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	Ordinary			6	Group		Accident and Health			12
				3	4	5	Credit Life	7	8	9	10	11	Aggregate of All
		Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	(Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Other Lines of Business
9	1. Premiums and annuity considerations for life and accident and health contracts	37,311,837	666,702	15,505,005	387,574			19,067,670		1,298,502		386,384	
	2. Considerations for supplementary contracts with life contingencies												
	3. Net investment income	7,326,219	10,439	6,967,448	164,590	7,056		176,655		28		3	
	4. Amortization of Interest Maintenance Reserve (IMR)	215,296	376	204,544	4,845	225		5,306					
	5. Separate Accounts net gain from operations excluding unrealized gains or losses												
	6. Commissions and expense allowances on reinsurance ceded	12,147,767	1,243,275	10,117,053				148,103		639,336			
	7. Reserve adjustments on reinsurance ceded	23,706,148		23,706,148									
	8. Miscellaneous Income												
	8.1 Fees associated with income from investment mngmt., admin., and contract guarantees (From S.A.)												
	8.2 Charges and fees for deposit-type contracts												
	8.3 Aggregate write-ins for miscellaneous income	(157,289)	6,551	172,701	924	(7)		(421,156)		82,560		1,138	
	9. Totals (Lines 1 to 8.3)	80,549,978	1,927,343	56,672,899	557,933	7,274		18,976,578		2,020,426		387,525	
	10. Death benefits	24,985,200	93,900	6,793,596				18,097,614				90	
	11. Matured endowments (excluding guaranteed annual pure endowments)	249,587	76,763	172,824									
	12. Annuity benefits												
	13. Disability benefits and benefits under accident and health contracts	579,695								310,593		269,102	
	14. Coupons, guaranteed annual pure endowments and similar benefits												
	15. Surrender benefits and withdrawals for life contracts	2,315,760	(9,522)	1,968,612	356,670								
	16. Group conversions	17,494						17,494					
	17. Interest and adjustments on contract or deposit-type contract funds	4,425	1	15,525		(11,101)							
	18. Payments on supplementary contracts with life contingencies	8,287	1,162	6,979	146								
	19. Increase in aggregate reserves for life and accident and health contracts	29,379,771	(10,017)	28,991,994	65,261	(124)		(11,825)		362,651		(18,169)	
	20. Totals (Lines 10 to 19)	57,540,219	152,287	37,949,530	422,077	(11,225)		18,103,283		673,244		251,023	
	21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	2,190,835	5,219	1,854,831	15,635			228,531		81,039		5,580	
	22. Commissions and expense allowances on reinsurance assumed	8,202,050		7,647,036				407,792		147,222			
	23. General insurance expenses	15,715,293	1,890,705	9,161,603	256,524	3		2,548,194		1,539,784		318,480	
	24. Insurance taxes, licenses and fees, excluding federal income taxes	1,380,125	83,242	755,283	23,544			443,390		44,223		30,443	
	25. Increase in loading on deferred and uncollected premiums	(683,829)	2,255	(686,080)	(4)								
	26. Net transfers to or (from) Separate Accounts net of reinsurance												
	27. Aggregate write-ins for deductions	216,610	15,634	115,769	643			59,059		24,505		1,000	
	28. Totals (Lines 20 to 27)	84,561,302	2,149,342	56,797,972	718,419	(11,222)		21,790,249		2,510,017		606,526	
	29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 - Line 28)	(4,011,324)	(221,999)	(125,073)	(160,486)	18,496		(2,813,671)		(489,591)		(219,001)	
	30. Dividends to policyholders	522,764	(816)	523,580									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 - Line 30)	(4,534,088)	(221,183)	(648,653)	(160,486)	18,496		(2,813,671)		(489,591)		(219,001)		
32. Federal income taxes incurred (excluding tax on capital gains)													
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(4,534,088)	(221,183)	(648,653)	(160,486)	18,496		(2,813,671)		(489,591)		(219,001)		
DETAILS OF WRITE-INS													
08.301. MISCELLANEOUS INCOME	121,700	6,480	31,376	912	(7)		5,695		76,204		1,040		
08.302. MISCELLANEOUS INCOME ADMINSTRATIVE SERVICE CHARGE	146,467	71	139,866	12			64		6,356		98		
08.303. OI CHANGE IN CONVERSION POOL ASSETS-ASSUMED	(349,735)						(349,735)						
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	(75,721)		1,459				(77,180)						
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(157,289)	6,551	172,701	924	(7)		(421,156)		82,560		1,138		
2701. DEFERRED COMP	670,963	45,430	336,664	1,843			241,408		44,359		1,259		
2702. QUALIFIED PENSION BENEFIT COST													
2703. LEGAL SETTLEMENT	2,145								1,587		558		
2798. Summary of remaining write-ins for Line 27 from overflow page	(456,498)	(29,796)	(220,895)	(1,200)			(182,349)		(21,441)		(817)		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	216,610	15,634	115,769	643			59,059		24,505		1,000		

(a) Includes the following amounts for FEGLI/SGLI: Line 1 \$.....(9,430,075),Line 10 \$.....9,435,431, Line 16 \$.....(4,522), Line 23 \$.....68,694,Line 24 \$.....0.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1	2	Ordinary			6 Credit Life (Group and Individual)	Group	
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	95,943,006	177,147	93,133,774	2,271,008	2,617		358,460	
2. Tabular net premiums or considerations	7,061,793	104,364	6,569,854	387,575				
3. Present value of disability claims incurred	52,865				X X X		52,865	
4. Tabular interest	3,792,656	7,543	3,637,063	147,953	97			
5. Tabular less actual reserve released	142				142			
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)	27,953,058	14,180,110	13,772,948					
8. Totals (Lines 1 to 7)	134,803,520	14,469,164	117,113,639	2,806,536	2,856		411,325	
9. Tabular cost	4,634,330	121,924	4,353,790	93,926	X X X		64,690	
10. Reserves released by death	1,941,534		1,941,534	X X X	X X X			X X X
11. Reserves released by other terminations (net)	2,700,814		2,324,473	376,341				
12. Annuity, supplementary contract, and disability payments involving life contingencies	363				363			
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	9,277,041	121,924	8,619,797	470,267	363		64,690	
15. Reserve December 31, current year	125,526,479	14,347,240	108,493,842	2,336,269	2,493		346,635	

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 2,171,977	..... 2,083,281
1.1	Bonds exempt from U.S. tax	(a)..... 10,817	..... 9,240
1.2	Other bonds (unaffiliated)	(a)..... 3,376,684	..... 3,651,718
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	..... 34,796	..... 34,796
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c)..... 937,337	..... 720,661
4.	Real estate	(d)..... 27,841	..... 27,841
5.	Contract loans .....	..... 453,650	..... 566,365
6.	Cash, cash equivalents and short-term investments	(e)..... 770,695	..... 770,695
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	..... 27,295	..... 27,295
10.	Total gross investment income .....	..... 7,811,092	..... 7,891,892
11.	Investment expenses		(g)..... 468,700
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)..... 8,919
13.	Interest expense		(h)..... 88,055
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		..... 565,674
17.	Net Investment income (Line 10 minus Line 16) .....		..... 7,326,218
DETAILS OF WRITE-INS			
0901.	SURRENDER CHARGES .....	..... 13,454	..... 13,454
0902.	OTHER INVESTMENT INCOME .....	..... 13,841	..... 13,841
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	..... 27,295	..... 27,295
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....380,557 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....(1,142,422) for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....1,841 accrual of discount less \$.....0 amortization of premium and less \$.....13,525 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... 441,196	.....	..... 441,196	.....	.....
1.1	Bonds exempt from U.S. tax .....	..... 103	.....	..... 103	.....	.....
1.2	Other bonds (unaffiliated) .....	..... (150,936)	.....	..... (150,936)	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	..... 126,424	.....
2.21	Common stocks of affiliates .....	..... (26,250)	.....	..... (26,250)	.....	.....
3.	Mortgage loans .....	.....	.....	.....	..... 63,040	.....
4.	Real estate .....	..... 61,667	.....	..... 61,667	.....	.....
5.	Contract loans .....	.....	.....	.....	..... 38,630	.....
6.	Cash, cash equivalents and short-term investments .....	..... 11,875	.....	..... 11,875	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	..... 23,398	.....
9.	Aggregate write-ins for capital gains (losses) .....	..... 33,546	.....	..... 33,546	.....	.....
10.	Total capital gains (losses) .....	..... 371,201	.....	..... 371,201	..... 251,492	.....
DETAILS OF WRITE-INS						
0901.	GAIN ON SALE OF EQUIPMENT .....	..... 33,546	.....	..... 33,546	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	..... 33,546	.....	..... 33,546	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS

		1	2	Ordinary		5	Group		Accident and Health			11
				3	4		6	7	8	9	10	
		Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)												
1.	Uncollected	73,596		73,596								
2.	Deferred and accrued	153,745		153,745								
3.	Deferred, accrued and uncollected:											
3.1	Direct	1,105,455		1,105,455								
3.2	Reinsurance assumed	244,365		244,365								
3.3	Reinsurance ceded	1,122,480		1,122,480								
3.4	Net (Line 1 + Line 2)	227,341		227,341								
4.	Advance	5,680		5,680								
5.	Line 3.4 - Line 4	221,661		221,661								
6.	Collected during year:											
6.1	Direct	2,223,207		2,068,193	155,014							
6.2	Reinsurance assumed	924,937		924,937								
6.3	Reinsurance ceded	1,364,898		1,364,898								
6.4	Net	1,783,246		1,628,232	155,014							
7.	Line 5 + Line 6.4	2,004,907		1,849,893	155,014							
8.	Prior year (uncollected + deferred and accrued - advance)	1,422,407		1,422,407								
9.	First year premiums and considerations:											
9.1	Direct	1,642,481		1,487,467	155,014							
9.2	Reinsurance assumed	986,584		986,584								
9.3	Reinsurance ceded	2,046,566		2,046,566								
9.4	Net (Line 7 - Line 8)	582,500		427,486	155,014							
SINGLE												
10.	Single premiums and considerations:											
10.1	Direct	371,315	(816)	372,131								
10.2	Reinsurance assumed											
10.3	Reinsurance ceded											
10.4	Net	371,315	(816)	372,131								
RENEWAL												
11.	Uncollected	2,937,416		58,495			2,403,613		470,047		5,261	
12.	Deferred and accrued	4,953,513		4,953,513								
13.	Deferred, accrued and uncollected:											
13.1	Direct	4,981,781	9,603	4,619,769			347,178				5,231	
13.2	Reinsurance assumed	6,024,219		3,227,375			2,326,767		470,047		30	
13.3	Reinsurance ceded	3,115,071	9,603	2,835,136			270,332					
13.4	Net (Line 11 + Line 12)	7,890,929		5,012,008			2,403,613		470,047		5,261	
14.	Advance	216,635		205,024							11,611	
15.	Line 13.4 - Line 14	7,674,294		4,806,984			2,403,613		470,047		(6,350)	
16.	Collected during year:											
16.1	Direct	23,025,765	559,516	10,655,472	232,698		6,805,034		4,387,913		385,132	
16.2	Reinsurance assumed	55,700,212	6,581,786	32,860,780			15,610,822		646,027		797	
16.3	Reinsurance ceded	42,249,094	6,477,411	29,094,799			3,753,684		2,923,200			
16.4	Net	36,476,883	663,891	14,421,453	232,698		18,662,172		2,110,740		385,929	
17.	Line 15 + Line 16.4	44,151,177	663,891	19,228,437	232,698		21,065,785		2,580,787		379,579	
18.	Prior year (uncollected + deferred and accrued - advance)	7,793,156	(3,627)	4,523,050	138		1,998,115		1,282,285		(6,805)	
19.	Renewal premiums and considerations:											
19.1	Direct	21,878,876	563,352	10,978,729	232,561		6,750,180		2,968,467		385,587	
19.2	Reinsurance assumed	58,365,670	6,581,786	34,969,322			16,128,308		685,457		797	
19.3	Reinsurance ceded	43,886,524	6,477,620	31,242,664			3,810,818		2,355,422			
19.4	Net (Line 17 - Line 18)	36,358,021	667,518	14,705,387	232,560		19,067,670		1,298,502		386,384	
TOTAL												
20.	TOTAL premiums and annuity considerations:											
20.1	Direct	23,892,672	562,536	12,838,327	387,575		6,750,180		2,968,467		385,587	
20.2	Reinsurance assumed	59,352,254	6,581,786	35,955,906			16,128,308		685,457		797	
20.3	Reinsurance ceded	45,933,090	6,477,620	33,289,230			3,810,818		2,355,422			
20.4	Net (Lines 9.4 + 10.4 + 19.4)	37,311,836	666,702	15,505,004	387,574		19,067,670		1,298,502		386,384	

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS
AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums	17,435		17,435								
22. All other	265,818		265,818								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded											
23.2 Reinsurance assumed											
23.3 Net ceded less assumed											
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	12,147,767	1,243,275	10,117,053			148,103		639,336			
25.2 Reinsurance assumed	8,202,050		7,647,036			407,792		147,222			
25.3 Net ceded less assumed	3,945,717	1,243,275	2,470,017			(259,689)		492,114			
26. TOTALS:											
26.1 Reinsurance ceded (Page 6, Line 6)	12,147,767	1,243,275	10,117,053			148,103		639,336			
26.2 Reinsurance assumed (Page 6, Line 22)	8,202,050		7,647,036			407,792		147,222			
26.3 Net ceded less assumed	3,945,717	1,243,275	2,470,017			(259,689)		492,114			
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	1,512,892		1,501,624	7,622		159		2,717		770	
28. Single	61		61								
29. Renewal	677,882	5,219	353,146	8,013		228,372		78,322		4,810	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	2,190,835	5,219	1,854,831	15,635		228,531		81,039		5,580	

EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4		
			2	3			
		Life	Containment	Other	All Other Lines of Business	Investment	Total
1.	Rent	1,194,658		167,192		24,841	1,386,691
2.	Salaries and wages	5,861,948	27	775,279		119,077	6,756,331
3.11	Contributions for benefit plans for employees	921,982		83,696		14,469	1,020,147
3.12	Contributions for benefit plans for agents						
3.21	Payments to employees under non-funded benefit plans						
3.22	Payments to agents under non-funded benefit plans						
3.31	Other employee welfare	101,067		13,200		134,837	249,104
3.32	Other agent welfare						
4.1	Legal fees and expenses	128,340	(126)	(114)		89	128,189
4.2	Medical examination fees	109,472		13,240			122,712
4.3	Inspection report fees	265		12		1	278
4.4	Fees of public accountants and consulting actuaries	468,218	73	190,858		34,486	693,635
4.5	Expense of investigation and settlement of policy claims	59,768		1,500		18	61,286
5.1	Traveling expenses	352,319		61,006		6,887	420,213
5.2	Advertising	321,359		39,988		1,191	362,537
5.3	Postage, express, telegraph and telephone	458,973	5	22,924		12,744	494,645
5.4	Printing and stationery	182,216	1	14,703		6,386	203,306
5.5	Cost or depreciation of furniture and equipment	166,564		5,948		2	172,514
5.6	Rental of equipment	171,788		6,938		14,094	192,820
5.7	Cost or depreciation of EDP equipment and software	639,783		24,017		175	663,975
6.1	Books and periodicals	25,137		3,529		959	29,625
6.2	Bureau and association fees	25,374		6,074		30	31,478
6.3	Insurance, except on real estate	47,934		10,649		367	58,950
6.4	Miscellaneous losses	5,808		3,430		1,453	10,691
6.5	Collection and bank service charges	147,187	1,009	126,768		56,367	331,331
6.6	Sundry general expenses	876,592		65,105			941,697
6.7	Group service and administration fees	1,419,974		475,211		1,775	1,896,960
6.8	Reimbursements by uninsured plans						
7.1	Agency expense allowance						
7.2	Agents' balances charged off (less \$.....0 recovered)	(2,846)	(2,052)	(271,571)			(276,469)
7.3	Agency conferences other than local meetings	86,191		6,651		45	92,887
9.1	Real estate expenses	86,775		13,089		38,823	138,687
9.2	Investment expenses not included elsewhere	184		3		568	755
9.3	Aggregate write-ins for expenses						
10.	General expenses Incurred	13,857,029	(1,062)	1,859,326		469,685	(a)..... 16,184,977
11.	General expenses unpaid December 31, prior year	674,963	(19)	439,792		116,030	1,230,766
12.	General expenses unpaid December 31, current year	333,430		505,307		78,205	916,942
13.	Amounts receivable relating to uninsured plans, prior year						
14.	Amounts receivable relating to uninsured plans, current year						
15.	General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	14,198,562	(1,081)	1,793,811		507,510	16,498,801
DETAILS OF WRITE-INS							
09.301.	.....					
09.302.	.....					
09.303.	.....					
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page						
09.399.	TOTALS (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)						

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		Insurance			4	5
		1	2	3		
		Life	Accident and Health	All Other Lines of Business	Investment	Total
1.	Real estate taxes				1,287	1,287
2.	State insurance department licenses and fees	39,540	14,740			54,280
3.	State taxes on premiums	717,230	7,501			724,731
4.	Other state taxes, incl. \$.....0 for employee benefits	19,094	1,488		255	20,836
5.	U.S. Social Security taxes	463,345	44,838		7,302	515,485
6.	All other taxes	66,250	6,100		125	72,475
7.	Taxes, licenses and fees incurred	1,305,459	74,666		8,969	1,389,094
8.	Taxes, licenses and fees unpaid December 31, prior year	(78,836)	(121,406)		(63)	(200,305)
9.	Taxes, licenses and fees unpaid December 31, current year	208,732	(233,791)		(63)	(25,122)
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	1,017,891	187,052		8,969	1,213,911

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	Accident and Health
1.	Applied to pay renewal premiums	17,719	
2.	Applied to shorten the endowment or premium-paying period		
3.	Applied to provide paid-up additions	265,882	
4.	Applied to provide paid-up annuities		
5.	Total (Lines 1 through 4)	283,601	
6.	Paid-in cash	54,954	
7.	Left on deposit	88,656	
8.	Aggregate write-ins for dividend or refund options		
9.	Total (Lines 5 through 8)	427,211	
10.	Amount due and unpaid		
11.	Provision for dividends or refunds payable in the following calendar year	549,346	
12.	Terminal dividends		
13.	Provision for deferred dividend contracts		
14.	Amount provisionally held for deferred dividend contracts not included in line 13		
15.	Total (Lines 10 through 14)	549,346	
16.	Total from prior year	453,793	
17.	Total dividends or refunds (Lines 9 + 15 - 16)	522,764	
DETAILS OF WRITE-INS			
0801.	.....	
0802.	.....	
0803.	.....	
0898.	Summary of remaining write-ins for Line 8 from overflow page		
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance (Gross)					
1912STDI 3.50% CRVM	16,605		16,605		
1912STDILV3.50A					
1941 SI 3.00% CRVM					
1941 SI 3.00% NET					
1941 SI 3.50% CRVM					
1941 SI 3.50% NET					
1941CET 2.50% CRVM	450,595		450,595		
1941CET 3.00% CRVM	390,151		390,151		
1941CET 3.00% NET	182		182		
1941CET 3.50% CRVM	363		363		
1941CET 3.50% NET					
1941CIET 2.50% CRVM	345,055	345,055			
1941CIET 2.50% ILL. STD.	48,007	48,007			
1941CIET 2.50% NET	23,896	23,896			
1941CIET 3.00% CRVM	79,962	79,962			
1941CIET 3.00% FTP	5,719	5,719			
1941CIET 3.00% NET	36,613	32,607	4,006		
1941CIET 3.50% CRVM	289	289			
1941CIET 3.50% NET	11,701	11,701			
1941CSO % NET					
1941CSO 2.50% CRVM	4,140,980		4,140,980		
1941CSO 2.50% NET	39,081		39,081		
1941CSO 3.00% CRVM	3,792,393		3,792,393		
1941CSO 3.00% ILL. STD.	190,408		190,408		
1941CSO 3.00% NET	317,852		317,852		
1941CSO 3.50% CRVM	5,890,243		5,890,243		
1941CSO 4.00% CRVM	4,897,111		4,897,111		
1941CSO 5.00% CRVM	367,719		367,719		
1941SI 2.50% CRVM	2,280,662	2,268,213	12,450		
1941SI 2.50% ILL. STD.	287,357	287,357			
1941SI 2.50% NET	135,388	135,388			
1941SI 3.00% CRVM	1,190,379	1,190,247	132		
1941SI 3.00% FTP	64,586	64,586			
1941SI 3.00% NET	220,554	220,554			
1941SI 3.50% CRVM	3,253	3,253			
1941SI 3.50% NET	345,087	345,087			
1941SSI 2.50% CRVM	5,202,955	5,202,955			
1941SSI 2.50% NET	3,125,086	3,125,086			
1941SSI 3.00% CRVM	1,514,663	1,505,863	8,800		
1941SSI 3.00% FTP	4,476	4,476			
1941SSI 3.00% NET	124,369	122,009	2,360		
1941SSI 3.50% CRVM	335,108	335,108			
1941SSI 3.50% ILL STD.	26,462	26,462			
1941SSI 3.50% ILL. STD.	1,517	1,517			
1941SSI 4.50% CRVM	53,708	53,708			
1941SSI 5.00% CRVM	308,318	308,318			
1941SSI3 2.50% CRVM	381,642	381,642			
1941SSI3 2.50% NET	33,709	33,709			
1941SSI3 3.00% CRVM	72,678	72,678			
1941SSI3 3.00% NET	915	915			
1941SSIT 2.50% CRVM	79,090	79,090			
1941SSIT 3.00% CRVM	2,985	2,985			
1941SSIT 3.50% CRVM	132,303	132,303			
1958CET 2.50% CRVM	1,815,604	13,759	1,801,845		
1958CET 2.50% MOD	184,468		184,468		
1958CET 3.00% CRVM	155,053	2,670	152,383		
1958CET 3.00% NET	22,992		22,992		
1958CET 3.50% CRVM	16,373		16,373		
1958CET 3.50% NET	9,226		9,226		
1958CET 4.00% CRVM	86,102		86,102		
1958CET 4.50% CRVM	728,400		728,400		
1958CET 4.50% MOD	105,103		105,103		
1958CET3 2.50% MOD	3,388,301		3,388,301		
1958CET3 3.00% CRVM	256,666		256,666		
1958CET3 3.00% NET	76,164		76,164		
1958CET3 4.00% NET	21,356		21,356		
1958CETJ 4.00% CRVM	43,731		43,731		
1958CSO 2.50% CRVM	7,521,916		7,521,916		
1958CSO 2.50% MOD	889,449		889,449		
1958CSO 2.50% NET	41,372		41,372		
1958CSO 3.00% CRVM	1,443,145		1,443,145		
1958CSO 3.00% ILL. STD.	9,462		9,462		
1958CSO 3.00% NET	275,215		275,215		
1958CSO 3.50% CRVM	1,697,536		1,697,536		
1958CSO 3.50% NET	58,574		58,574		
1958CSO 4.00% CRVM	301,444		301,444		
1958CSO 4.50% CRVM	5,747,430		5,747,430		
1958CSO 4.50% MOD	929,295		929,295		
1958CSO 4.50% NET	1,910		1,910		
1958CSO 5.50% CRVM	1,115,087		1,115,087		
1958CSO3 2.50% MOD	14,611,928		14,611,928		
1958CSO3 3.00% NET	110,802		110,802		
1958CSO3 4.00% NET	288,730		288,730		
1958CSOJ 3.00% CRVM	3,277		3,277		
1958CSOJ 3.00% Net					
1958CSOJ 3.50% CRVM	16,748		16,748		
1958CSOJ 4.00% CRVM	260,458		260,458		
1958CSOL 3.50% CRVM	1,124		1,124		
1958CSOL 3.50% NET	632,957		632,957		
1961CIET 2.50% CRVM	116,745	116,745			
1961CIET 3.00% CRVM	4,275,408	4,270,542	4,866		
1961CIET 3.00% NET	94,180	94,180			
1961CIET 3.50% NET	95,287	95,287			
1961CIET 4.00% CRVM	18,559	18,559			
1961CSET 3.00% CRVM	10,789	10,789			
1961CSET 3.50% CRVM	182,699	182,699			
1961CSET 3.50% ILL STD	4,961	4,961			
1961CSET 4.00% CRVM	864,382	864,382			
1961CSET 5.00% CRVM	44,912	44,912			
1961CSET 5.50% CRVM	1,076,235	1,076,235			
1961CSET 6.00% CRVM					

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
1961CSI 2.50% CRVM	347,492	347,492			
1961CSI 3.00% CRVM	10,999,412	10,985,396	14,016		
1961CSI 3.00% ILL. STD.	1,908		1,908		
1961CSI 3.00% NET	339,428	306,847	32,581		
1961CSI 3.50% CRVM	4,020	4,020			
1961CSI 3.50% ILL STD	52,806	52,806			
1961CSI 3.50% NET	343,461	343,461			
1961CSI 4.00% CRVM	128,752	128,752			
1961CSI 4.00% NET	30,927	30,927			
1961CSI 4.50% CRVM	422,420	422,420			
1961CSI 5.00% CRVM	9,250,013	9,250,013			
1961CSI 5.50% CRVM	31,896	31,896			
1961CSI 6.00% CRVM	224,140	224,140			
1961CSIT 3.00% CRVM	1,746	1,746			
1961CSIT 3.50% CRVM	1,079,715	1,079,715			
1961CSIT 4.00% CRVM	2,201,010	2,201,010			
1961CSIT 4.50% CRVM	8,570	8,570			
1980CET 4.00% CRVM	1,103,632		1,103,632		
1980CET 4.50% CRVM	6,887		6,887		
1980CET 5.00% CRVM	1,775,099		1,775,099		
1980CET 5.50% CRVM	1,556		1,556		
1980CET 5.50% NET	20,829		20,829		
1980CETB 4.75% CRVM	4,873		4,873		
1980CETL 4.00% CRVM	170,611		170,611		
1980CETL 4.50% CRVM	1,191,823		1,191,823		
1980CETL 5.00% CRVM	839,979		839,979		
1980CETN 4.50% CRVM	108,907		108,907		
1980CETP 4.00% CRVM	53,885		53,885		
1980CETP 4.50% CRVM	70,773		70,773		
1980CETP 5.50% CRVM					
1980CETS 4.50% CRVM	10,691		10,691		
1980CSJL 5.00% CRVM	1,154		1,154		
1980CSO % CRVM					
1980CSO 3.00% CRVM	33,885		33,885		
1980CSO 4.00% CRVM	905,271		905,271		
1980CSO 4.00% NET	862		862		
1980CSO 4.50% CRVM	4,026,616		4,026,616		
1980CSO 4.75% CRVM					
1980CSO 5.00% CRVM	10,454,326		10,454,326		
1980CSO 5.00% NET					
1980CSO 5.50% CRVM	11,175		11,175		
1980CSO 5.50% NET	567,299		567,299		
1980CSO 6.00% CRVM	75,582		75,582		
1980CSO 6.00% NET	677		677		
1980CSOB 4.75% CRVM	25,870		25,870		
1980CSOC 4.75% CRVM	1,121		1,121		
1980CSOJ 5.00% CRVM	7,671		7,671		
1980CSOL % NET					
1980CSOL 3.50% CRVM	796		796		
1980CSOL 4.00% CRVM	2,645,646		2,645,646		
1980CSOL 4.00% NET					
1980CSOL 4.50% CRVM	13,164,262		12,870,532		293,730
1980CSOL 5.00% CRVM	3,374,281		3,374,281		
1980CSOL 5.25% CRVM	9,596		9,596		
1980CSON 4.00% CRVM	448,853		448,853		
1980CSON 4.50% CRVM	4,357,264		4,357,264		
1980CSON 5.00% CRVM	823		823		
1980CSOS 4.50% CRVM	376,371		376,371		
1980CSSN 4.50% CRVM	353,917		353,917		
A.E.C 3.00% CRVM	4,265		4,265		
A.E.C 3.50% CRVM	3,771		3,771		
A.E.C 3.50% ILL STD	1,710		1,710		
A.E.C 4.00% CRVM	129,101		129,101		
A.E.C. 3.00% FTP	239,198	239,198			
A.E.C. 3.00% ILL. STD.	8,508		8,508		
A.E.C. 3.00% NET	1,101,205	97,987	1,003,218		
A.E.C. 3.50% FTP	399,940	399,940			
A.E.C. 3.50% ILL. STD.	268,891	263,152	5,739		
A.E.C. 3.50% NET	437,857	167,550	270,307		
A.E.C. 4.00% NET	185,274	185,274			
SSI 3.50% FTP	4,454,783	4,454,783			
Unearned Premium					
Var. Morl. Tables & Int. Rates					
0199997 Subtotal - Life Insurance (Gross)	165,528,815	54,473,564	110,761,521		293,730
0199998 Reinsurance Ceded	44,759,680	40,218,746	4,540,934		
0199999 Totals - (Net)	120,769,135	14,254,818	106,220,587		293,730
Annuities (excluding supplementary contracts with life contingencies (Gross)					
1937 SA 2.50%	42,233	X X X	42,233	X X X	
1971 IAM 4.50% CARVM	149,495	X X X	149,495	X X X	
1971 IAM 4.50% CARVM	195,953	X X X	195,953	X X X	
1971 IAM 4.75% CARVM	97,675	X X X	97,675	X X X	
1971 IAM 5.00% CARVM	122,573	X X X	122,573	X X X	
1971 IAM 5.25% CARVM	239,517	X X X	239,517	X X X	
1971 IAM 5.50% CARVM	391,766	X X X	391,766	X X X	
1971 IAM 5.75% CARVM	88,492	X X X	88,492	X X X	
1971 IAM 6.00% CARVM	15,968	X X X	15,968	X X X	
1971 IAM 6.25% CARVM	157,668	X X X	157,668	X X X	
1971 IAM 6.50% CARVM	208,969	X X X	208,969	X X X	
1971 IAM 6.75% CARVM	65,083	X X X	65,083	X X X	
1971 IAM 7.00% CARVM	94,890	X X X	94,890	X X X	
1971 IAM 7.25% CARVM	119,342	X X X	119,342	X X X	
1971 IAM 8.50% CARVM	346,646	X X X	346,646	X X X	
0299997 Subtotal - Annuities (excluding supplementary contracts with life contingencies (Gross)	2,336,270	X X X	2,336,270	X X X	
0299998 Reinsurance Ceded		X X X		X X X	
0299999 Totals - (Net)	2,336,270	X X X	2,336,270	X X X	
Supplementary Contracts with Life Contingencies (Gross)					
1971 IAM 4.00%	2,493		2,493		
0399997 Subtotal - Supplementary Contracts with Life Contingencies (Gross)	2,493		2,493		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0399998 Reinsurance Ceded					
0399999 Totals - (Net)	2,493		2,493		
Accidental Death Benefits (Gross)					
1926-33 ICDI 1941 CSO 3.00%	1,110		1,110		
1959 ADB 1958 CSO 3.00%	249,353		249,353		
1959 ADB 1958 CSO 4.50%	31,066		31,066		
0499997 Subtotal - Accidental Death Benefits (Gross)	281,529		281,529		
0499998 Reinsurance Ceded	22,672		22,672		
0499999 Totals - (Net)	258,857		258,857		
Disability-Active Lives (Gross)					
1926 Class 3 Dis. 1941 CSO 3.00%	74		74		
1952 Dis. Study 1958 CSO 3.00%	189,458		189,458		
1980 CSO non-smoker 1980CSO 3.00%					
0599997 Subtotal - Disability-Active Lives (Gross)	189,532		189,532		
0599998 Reinsurance Ceded	4,531		4,531		
0599999 Totals - (Net)	185,001		185,001		
Disability-Disabled Lives (Gross)					
1926 Class 3 Dis. 2.50%	2,683		2,683		
1952 Dis. Study, Period 2 2.50%	409,630		409,630		
1958 CSO 2.50%	98,048		1,339		96,709
70 Mod Interco GLDV Tbl 3.50%					
70 Mod Interco GLDV Tbl 4.00%					
70 Mod Interco GLDV Tbl 4.50%					
70 Mod Interco GLDV Tbl 5.00%					
70 Mod Interco GLDV Tbl 5.50%					
70 Mod Interco GLDV Tbl 6.00%					
0699997 Subtotal - Disability-Disabled Lives (Gross)	510,361		413,652		96,709
0699998 Reinsurance Ceded	43,804				43,804
0699999 Totals - (Net)	466,557		413,652		52,905
Miscellaneous Reserves (Gross)					
For excess of valuation net premiums over corresponding gross premiums on respective policies policies computed according to the standard of valuation required by this state	225,413	24,822	200,591		
For non-deduction of deferred fractional premiums or return of premiums at the death of the insured	1,282,752	67,600	1,215,152		
For surrender values in excess of reserves otherwise required and carried in this schedule					
0799997 Subtotal - Miscellaneous Reserves (Gross)	1,508,165	92,422	1,415,743		
0799998 Reinsurance Ceded					
0799999 Totals - (Net)	1,508,165	92,422	1,415,743		
9999999 Totals - (Net) -Page 3, Line 1	125,526,478	14,347,240	110,832,603		346,635

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts?
1.2 If not, state which kind is issued.

Yes[X] No[]

2.1 Does the reporting entity at present issue both participating and non-participating contracts?
2.2 If not, state which kind is issued.

Yes[X] No[]

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

Yes[X] No[]

4. Has the reporting entity any assessment or stipulated premium contracts in force?
If so, state:
4.1 Amount of insurance?
4.2 Amount of reserve?
4.3 Basis of reserve
4.4 Basis of regular assessments
4.5 Basis of special assessments
4.6 Assessments collected during the year

Yes[] No[X]
\$ 0
\$ 0
\$ 0

5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?
6.1 If so, state the amount of reserve on such contracts on the basis actually held:
6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1, and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:
Attach statement of methods employed in their valuation.

Yes[] No[X]
\$ 0
\$ 0

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements?
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount
7.3 State the amount of reserves established for this business:
7.4 Identify where the reserves are reported in the blank

Yes[] No[X]
\$ 0
\$ 0

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
9999999 Total (Column 4 Only)			

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	17,546				179	3,604			13,763
2. Additional contract reserves (a)	85,939				9,763	76,176			
3. Additional actuarial reserves - Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits	235,023	235,023							
6. Aggregate write-ins for reserves									
7. Totals (Gross)	338,508	235,023			9,942	79,780			13,763
8. Reinsurance ceded									
9. Totals (Net)	338,508	235,023			9,942	79,780			13,763
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	85,001	39,054			1,725	15,890			28,332
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)	85,001	39,054			1,725	15,890			28,332
15. Reinsurance ceded									
16. Totals (Net)	85,001	39,054			1,725	15,890			28,332
17. TOTAL (Net)	423,509	274,077			11,667	95,670			42,095
18. TABULAR FUND INTEREST	11,969	7,627			317	2,503			1,522
DETAILS OF WRITE-INS									
0601. Deficiency Premium Reserve									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)									

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.:

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	2,796,141			102,419	2,680,027	13,695
2. Deposits received during the year	86,304				86,204	100
3. Investment earnings credited to the account	80,848			1,304	79,544	
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	237,688			12,405	222,873	2,410
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8)	2,725,605			91,318	2,622,902	11,385
10. Reinsurance balance at the beginning of the year						
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded						
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12)						
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	2,725,605			91,318	2,622,902	11,385

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS
PART 1 - Liability End of Current Year

		1	2	Ordinary			6	Group		Accident and Health		
				3	4	5		7	8	9	10	11
		Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1.	Due and Unpaid:											
	1.1 Direct	3,617,567	2,915,170	702,397								
	1.2 Reinsurance assumed	1,586,147		107,869				1,478,278				
	1.3 Reinsurance ceded	1,343,597	1,307,044	36,553								
	1.4 Net	3,860,117	1,608,126	773,713				1,478,278				
2.	In course of settlement:											
	2.1 Resisted:											
	2.11 Direct											
	2.12 Reinsurance assumed											
	2.13 Reinsurance ceded											
	2.14 Net			(b)	(b)		(b)	(b)				
	2.2 Other:											
	2.21 Direct	1,409,585	149,319	947,786				191,250		104,481		16,749
	2.22 Reinsurance assumed	1,384,312		486,967				897,345				
	2.23 Reinsurance ceded	688,237	87,069	404,519				106,842		89,807		
	2.24 Net	2,105,660	62,250	(b) 1,030,234	(b)		(b)	(b) 981,753		(b) 14,674	(b)	(b) 16,749
3.	Incurred but unreported:											
	3.1 Direct	1,541,222	258,000	745,000				293,691		166,731		77,800
	3.2 Reinsurance assumed	1,997,445		149,838				1,847,607				
	3.3 Reinsurance ceded	1,045,042	258,000	113,254				578,487		95,301		
	3.4 Net	2,493,625		(b) 781,584	(b)		(b)	(b) 1,562,811		(b) 71,430	(b)	(b) 77,800
4.	TOTALS:											
	4.1 Direct	6,568,374	3,322,489	2,395,183				484,941		271,212		94,549
	4.2 Reinsurance assumed	4,967,904		744,674				4,223,230				
	4.3 Reinsurance ceded	3,076,876	1,652,113	554,326				685,329		185,108		
	4.4 Net	8,459,402	(a) 1,670,376	(a) 2,585,531				(a) 4,022,842		86,104		94,549

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$.....0 in Column 2, \$.....0 in Column 3 and \$.....0 in Column 7.
(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS
PART 2 - Incurred During the Year

		1	2	Ordinary			6	Group		Accident and Health		
				3	4	5		7	8	9	10	11
		Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1.	Settlements during the year:											
1.1	Direct	17,556,395	1,073,870	7,102,856				6,382,363		2,672,391		324,915
1.2	Reinsurance assumed	16,184,125	58,850	1,859,800				14,263,477		1,998		
1.3	Reinsurance ceded	7,084,573	1,257,437	2,297,356				2,911,421		618,359		
1.4	Net	(d) 26,655,947	(124,717)	6,665,300				17,734,419		2,056,030		324,915
2.	Liability December 31, current year from Part 1:											
2.1	Direct	6,568,374	3,322,489	2,395,183				484,941		271,212		94,549
2.2	Reinsurance assumed	4,967,904		744,674				4,223,230				
2.3	Reinsurance ceded	3,076,876	1,652,113	554,326				685,329		185,108		
2.4	Net	8,459,402	1,670,376	2,585,531				4,022,842		86,104		94,549
3.	Amounts recoverable from reinsurers December 31, current year	1,523,226	238,994	34,923						1,249,309		
4.	Liability December 31, prior year:											
4.1	Direct	9,084,813	3,125,646	2,365,584				1,912,835		1,530,386		150,362
4.2	Reinsurance assumed	3,160,984		300,879				2,860,105				
4.3	Reinsurance ceded	3,350,725	1,399,800	64,258				1,113,293		773,374		
4.4	Net	8,895,072	1,725,846	2,602,205				3,659,647		757,012		150,362
5.	Amounts recoverable from reinsurers December 31, prior year	1,117,342	589,845	352,717						174,780		
6.	Incurred benefits:											
6.1	Direct	15,039,956	1,270,713	7,132,455				4,954,469		1,413,217		269,102
6.2	Reinsurance assumed	17,991,045	58,850	2,303,595				15,626,602		1,998		
6.3	Reinsurance ceded	7,216,608	1,158,899	2,469,630				2,483,457		1,104,622		
6.4	Net	25,814,393	170,664	6,966,420				18,097,614		310,593		269,102

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....158,023 in Line 1.1, \$.....123,205 in Line 1.4, \$.....373,756 in Line 6.1 and \$.....76,763 in Line 6.4.
(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....198,301 in Line 1.1, \$.....201,051 in Line 1.4, \$.....148,751 in Line 6.1 and \$.....172,824 in Line 6.4.
(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.
(d) Includes \$.....(176,300) premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens	130,013	91,053	(38,960)
3.2	Other than first liens		13,270	13,270
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties occupied for the production of income			
4.3	Properties held for sale	18,840		(18,840)
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans	206,235		(206,235)
7.	Other invested assets (Schedule BA)	33,182		(33,182)
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)	388,270	104,323	(283,947)
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued	14,119	318,249	304,130
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts	3,736	455,885	452,149
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset	12,219,440	10,993,953	(1,225,487)
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software	30,469	338,507	308,038
19.	Furniture and equipment, including health care delivery assets	5,175	119,613	114,438
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable			
23.	Aggregate write-ins for other than invested assets	1,857,851	2,261,444	403,594
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	14,519,060	14,591,974	72,915
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	14,519,060	14,591,974	72,915
DETAILS OF WRITE-INS				
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	NEGATIVE IMR NON-ADMITTED	519,032	550,671	31,639
2302.	NOTES RECEIVABLE - EDH	3,115	904,239	901,124
2303.	ADVANCES TO AGENTS	532,221	480,146	(52,075)
2398.	Summary of remaining write-ins for Line 23 from overflow page	803,483	326,388	(477,094)
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,857,851	2,261,444	403,594

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. The financial statements of North Carolina Mutual Life Insurance Company (“Company” or “NCM”) have been completed in accordance with the National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual. The State of North Carolina Department of Insurance (“NCDOI”) recognizes only statutory accounting practices prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under North Carolina General Statutes. The NAIC Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the State of North Carolina.

B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of the financial statements in conformity with Statements of Statutory Accounting Principles (SSAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Beginning in 2005, reinsurance treaties not conforming to the requirements of SSAP No. 61, *Life, Deposit-Type and Accident and Health Insurance*, and Appendix A-791, *Life and Health Reinsurance Agreements*, utilize deposit accounting (see Note 2A). Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company’s Board of Directors. The aggregate amount of policyholders’ dividends is related to actual interest, mortality, morbidity and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Non-investment grade bonds and loan-backed and structured securities with a NAIC designation of “6” are reported at the lower of amortized cost or fair value; investment grade bonds are reported at amortized cost.
3. Common stocks are stated at market.
4. Preferred stocks are stated at cost, redeemable preferred stocks with NAIC designations 4 to 6 are reported at the lower of cost, amortized cost, or fair value and perpetual preferred stocks with a NAIC designation of 4 to 6 are reported at the lower of cost or fair value.
5. Mortgage loans on real estate are stated at the aggregate unpaid balance.
6. Loan-backed and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase, except for those with an NAIC designation of 6 which shall be reported at the lower of amortized cost or fair value.
7. On a quarterly basis, the Company reviews individual instances within its debt and equity portfolios for unrealized losses and makes a judgment whether the decline in fair value is deemed to be “other than temporary.”
8. The Company owns 10.55% interest in Piedmont Investment Advisors, LLC, an investment advisory service company. The security is recorded using the equity method as prescribed in SSAP No. 97.
9. The Company has no derivatives.
10. The investment income was not used as a factor in the premium deficiency calculation.
11. The triangle development method was used to estimate the liabilities including claim expenses for accident and health contracts.
12. Policy loans are stated at the aggregate unpaid balance.
13. The Company uses straight-line depreciation for all of its real estate holdings with lives varying depending upon the type of building.
14. Company occupied investment real estate and properties held for the production of income are stated at depreciated cost less encumbrances. Properties held for sale are reported at lower of cost or depreciated value.
15. The Company reports cash surrender value of life insurance on certain officers net of related policy loans. Policy loans were \$4,670,041 as of December 31, 2008 and \$3,749,850 in aggregate as of December 31, 2007.

Notes to Financial Statement

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans

1. The maximum and minimum lending rates for mortgage loans established during 2008 were:
- | | |
|-------------|----------|
| Residential | No Loans |
| Commercial | 6.95% |

2. During 2008, the Company had no reduction in the interest rates of outstanding loans.

3. The maximum percentage of any one real estate mortgage loan to the appraised value of the underlying collateral at the time of the loan was 75%.

	<u>2008</u>	<u>2007</u>
4. As of these dates, the Company held mortgages with interest 180 days or more past due with a recorded investment, excluding accrued interest	\$ 277,362	\$1,139,104
Total interest due on mortgages with interest 180 days or more past due	14,119	318,249
5. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	0	0
6. Current period/year impaired loans with a related allowance for credit losses	0	569,040
Related allowance for credit losses	0	63,040
7. Impaired mortgage loans without an allowance for credit losses	408,364	1,036,214
8. Average recorded investment in impaired loans	102,091	80,263
9. Interest income recognized during the period the loans were impaired	0	0
10. The amount of interest income recognized on a cash basis during the period the loans were impaired	0	0
11. Allowance for credit losses:		
a) Balance at beginning of period	\$63,040	\$7,691
b) Additions charged to operations	0	55,349
c) Direct write-downs charged against the allowances	0	0
d) Recoveries of amounts previously charged off	(63,040)	0
e) Balance at end of period	<u>\$ 0</u>	<u>\$63,040</u>

12. The Company recognizes interest income on its impaired loans upon receipt.

13. During the fourth quarter of 2007, the Company began foreclosure proceedings against loan holders in default of their promissory notes. Since that time, several loan holders have brought their accounts current and foreclosure actions have been dismissed. Three properties were foreclosed in April 2008 and transferred to Schedule A. Two properties were sold in June 2008 and the remaining property was sold in July 2008.

- B. The Company has no invested assets that are restructured debt.

- C. The Company has no investments in reverse mortgages.

Notes to Financial Statement

D. Loan-Back Securities

- 1. The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective method for securities purchased prior to that date.
- 2. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer advices.
- 3. Loan-backed securities are reported at amortized cost, except those with an NAIC designation 6, which are reported at the lower of amortized cost or market value. The Company used Interactive Data Corporation in determining the market value of its loan-backed securities.

E. Repurchase Agreements

The Company has no investment in repurchase agreements.

F. Real Estate

- 1. No impairment losses recorded on real estate investments during the statement periods.
- 2. The Company disposed of a real estate property held for sale during the first quarter of 2008. The Company incurred closing costs of \$4,428 and recorded a realized gain on sale of \$34,615. During the second quarter of 2008, the Company purchased three mortgage loan properties which were under foreclosure. Two of the three properties were sold during the second quarter of 2008 and resulted in a net realized gain on sale of \$3,140. The third property was sold in third quarter 2008, resulting realized gain of \$8,282.
- 3. The Company has no plans to change the status of real estate held for sale.
- 4. The Company does not engage in retail land sale operations

G. Low-Income Housing Tax Credits

The Company has no investment in LIHTC

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Liability Companies that exceed 10% of its admitted assets.
- B. During 2008, the Company did not recognize any impairment write-down for its investments in Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued on bonds in or near default, and other amounts that are over 90 days past due with the exception of mortgage loans in default, which are excluded when 180 days or more past due.

- B. The total amount of due and accrued interest excluded for the year ended December 31, 2008 was \$14,119.

8. Derivative Instruments

The Company does not have any derivative instruments.

9. Income Taxes

- A. The components of the net deferred tax asset are as follows:

	2008	2007
Total of gross deferred tax assets	\$14,184,351	\$13,264,632
Total of deferred tax liabilities	1,964,911	2,270,679
Net Deferred tax assets, Page 2, Line 15.2, Column 1	12,219,440	10,993,953
Deferred tax assets nonadmitted, Page 2, Line 15.2, Column 2	12,219,440	10,993,953
Net admitted deferred tax assets, Page 2, Line 15.2, Column 3	\$ -	\$ -

- B. None

Notes to Financial Statement

C.	Current income taxes incurred consist of the following major components:		
		<u>2008</u>	<u>2007</u>
	Federal income tax benefit on operations	\$ -	\$ -
	Federal income tax on net realized capital gains	-	-
	Total federal income tax benefit	-	-
	Deferred Tax Assets:	<u>2008</u>	<u>2007</u>
	Reserves, tax versus statutory	\$ 1,989,728	\$ 3,039,390
	Deferred compensation	1,109,382	1,096,973
	DAC capitalization, net of accumulated amortization	1,626,699	1,074,110
	Non-admitted assets and depreciation	774,406	1,093,090
	Loading	866,026	1,098,528
	Depreciation	113,740	217,766
	Unrealized capital losses	255,427	255,427
	Policyholder dividends	186,778	154,290
	Discounted A&H claim reserves	1,210	5,283
	Net operating loss carryforward	6,814,811	4,770,174
	AMT Credit carryforward	160,275	160,275
	Other	285,869	299,326
	Total deferred tax assets	14,184,351	13,264,632
	Less: Non-admitted deferred tax assets	(12,219,440)	(10,993,953)
	Admitted deferred tax assets	1,964,911	2,270,679
	Deferred Tax Liabilities:	<u>2008</u>	<u>2007</u>
	Deferred and uncollected premium	\$ 1,781,379	\$ 2,087,146
	Unrealized capital gains	183,532	183,533
	Total deferred tax liabilities	1,964,911	2,270,679
	Net deferred tax assets admitted	\$ -	\$ -

The change in deferred taxes is comprised of the following (this analysis is exclusive of the tax effect of unrealized capital gains (losses) as the deferred taxes on unrealized gains (losses) are reported separately from the Change in Net Deferred income Taxes in the surplus section of the Annual Statement).

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Total gross deferred tax assets	\$14,184,351	\$13,264,632	\$ 919,719
Total gross deferred tax liabilities	1,964,911	2,270,679	(305,768)
Deferred tax assets in excess of deferred tax liabilities	\$12,219,440	\$10,993,953	1,225,487
Change in non-admitted deferred income taxes			<u>1,225,487</u>
Change in net deferred income taxes			\$ -

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the enacted federal income tax rate to income before taxes. The significant items causing these differences are as follows at December 31:

	<u>2008</u>	Effective <u>Tax Rate</u>
Statutory income/(loss) tax at enacted rate	\$ (1,914,765)	34.0%
Permanent differences:		
Tax-exempt Interest (net of amortization)	(3,091)	0.1%
Gain on Reinsurance Transaction	(75,641)	1.3%
Non-deductible Business Meals & Entertainment	18,412	-0.3%
Non-deductible Officers Life Insurance Premiums	79,673	-1.4%
Increase in Cash Surrender Value	(90,205)	1.6%
IMR Amortization	(73,201)	1.3%
Book to Tax Cap Gain adj-IMR	83,958	-1.5%
Decrease in Tax reserves Policyholder share of Tax-exempt Interest	2,159	0.0%
Penalties	13,021	-0.2%
Provision to Actual – Permanent Items	324,685	-5.8%
Adjustment to Beginning Deferred	47,578	-0.8%
Total effective tax	\$(1,587,417)	28.2%

Notes to Financial Statement

		Effective Tax Rate
Current Federal Income tax incurred	\$ -	0.00%
Change in net deferred income tax without Non-admitted Assets	\$(1,587,417)	28.2%
Total effective tax rate	\$(1,587,417)	28.2%

The Company had a loss carryforward of \$19,861,325 at December 31, 2008. In addition, the Company has Alternative Minimum Tax credit carryforward of \$160,275. The Company has no capital loss carryforward at December 31, 2008.

10. Information Concerning Parent, Subsidiaries and Affiliates

Not applicable.

11. Debt

The Company has no capital notes or debentures outstanding.
The Company does not have any reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plans

The Company has a defined benefit pension plan covering substantially all of its eligible employees and captive agents. The benefits are based on years of service and the employee’s final highest 5-year average compensation. Plan participants are entitled to monthly pension benefits beginning at normal retirement age (age 65) or the fifth anniversary of plan participation, if later. The Company’s funding and accounting policies are to contribute the minimum required amount that can be deducted for federal income tax purposes and to charge such contributions to expense in the year they are deductible for income tax purposes.

The following changes were made to the plan during 2007 and have been reflected at year end for these disclosures. An early retirement window was offered late in the year to active participants of the Retirement Plan who were at least age 52 as of December 31, 2007 with 20 or more years of service. Eighteen of the twenty-two eligible participants accepted the offering. This program provided two benefit enrichments; an unreduced, subsidized early commencement annuity (or alternatively an unsubsidized lump sum cashout) and an additional flat \$25,000 lump sum grant.

The value of the enhanced window benefits were recognized as special termination benefits and as such were immediately recognized as a current period expense (not offset by the outstanding transition asset as were the other expense components). The large amount of lump sum payments also triggered a settlement for the plan. This brought about a pro-rata reduction in both the unrecognized loss and the unrecognized transition asset. The net result for the plan was that \$715,801 was recognized as pension expense in 2007, due solely to the special termination benefits.

The Company uses a December 31 measurement date for its plans. The assets of the plan are maintained in a separate trust.

A summary of assets, obligations and assumptions of the Pension Plan is as follows as of December 31, 2008 and 2007:

	Pension Benefits	
	2008	2007
(1) Change in projected benefit obligation:		
a. Benefit obligation at beginning of year	\$8,990,977	\$10,099,210
b. Service cost	518,442	301,122
c. Interest cost	456,701	481,411
d. Contribution by plan participants	0	0
e. Actuarial (gain) loss	(884,759)	(863,809)
f. Foreign currency exchange rate changes	0	0
g. Benefits paid	(797,719)	(2,296,190)
h. Plan amendments	0	0
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	1,269,233
j. Projected benefit obligation at end of year	\$8,283,642	\$8,990,977

Notes to Financial Statement

(2) Change in plan assets:		
a. Fair value of plan assets at beginning of year	\$9,829,735	\$11,758,732
b. Actual return on plan assets	(1,240,304)	367,193
c. Foreign currency exchange rate changes	0	0
d. Employer contribution	0	0
e. Plan participants' contributions	0	0
f. Benefits paid	(797,719)	(2,296,190)
g. Business combinations, divestitures, and settlements	0	0
h. Fair value of plan assets at end of year	\$7,791,712	\$9,829,735
(3) Funded status	(\$491,930)	\$838,758
a. Unamortized prior service cost (credit)	759,407	866,848
b. Unrecognized net (gain) or loss	1,569,439	626,172
c. Unrecognized net transition obligation (asset)	(2,044,483)	(2,539,345)
d. Net amount recognized - Prepaid assets or (accrued liabilities) at end of year	\$(207,567)	\$(207,567)
e. Intangible asset	\$0	\$0
(4) Projected benefit obligation for non-vested participants	\$367,543	\$688,441
(5) Components of net periodic benefit cost:		
a. Service cost	\$518,442	\$301,122
b. Interest cost	456,701	481,411
c. Expected return on plan assets	(587,722)	(730,601)
d. Amortization of unrecognized transition obligation or transition asset	(494,862)	(159,373)
e. Amortization of prior service cost	107,441	107,441
f. Amortization of actuarial (gain) loss	0	0
g. Amount of gain or loss recognized due to a settlement or curtailment	0	0
h. Total net periodic benefit cost (benefit)	\$(0)	\$(0)

(6) There was an accrued benefit liability of \$207,567 as of December 31, 2008 and 2007.

(7) Weighted-average assumptions used to determine benefit obligations as of December 31:	Current Year	Prior Year
a. Discount rate	6.00%	5.75%
b. Rate of compensation increase	4.25%	4.75%
c. Rate of return on plan assets	7.00%	7.00%

(8) Not applicable.

(9) Not applicable.

(10) Not applicable.

(11) As permitted by the SSAP’s, the Company elected to accrue the incremental asset calculated as of January 1, 2001 as a component of net periodic pension cost in an amount each year such that the total net periodic pension cost was reduced to an amount not less than zero. Pension expense of \$0 and \$715,801 was recognized in 2008 and 2007, respectively because of the special termination benefits.

(12) Not applicable.

(13) Not applicable.

(14) Other than the settlement resulting in recognition of a pension expense of \$0 and \$715,801 in 2008 and 2007 respectively, no other significant changes occurred during 2008 or 2007.

Notes to Financial Statement

Amounts recognized in the statement of financial position consist of:	2008	2007
a. Prepaid benefit cost	0	
b. Accrued benefit cost	\$(207,567)	\$(207,567)
c. Intangible assets	0	0
d. Accumulated other comprehensive income (additional minimum liability)	0	0
e. Net amount recognized at end of year	\$(207,567)	\$(207,567)

B. Deferred Compensation Plans

Beginning on February 1, 1987, the Company implemented executive salary continuation agreements with key executives as determined by the Board of Directors. The agreements provide for payments to be made over a ten-year period subsequent to the executive’s retirement, total disability, or death.

Beginning in February 1, 1987, the Company implemented retirement restoration plan benefits for key executive as determined by the Board of Directors. The plan provides for payments to be made over a ten-year period subsequent to the executive’s retirement, total disability, or death. Vesting of benefits occurs as follows:

Less than 5 years of service	0% vested
5 to 7 years of service	50% vested
8 or more years of service	100% vested

A summary of assets, obligations and assumptions of Deferred Compensation Plans are as follows as of December 31, 2008 and 2007:

	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
(1) Change in benefit obligation:				
a. Benefit obligation at beginning of year	\$1,415,101	\$1,807,638	\$2,426,992	\$2,175,815
b. Service cost	134,493	13,505	232,615	18,598
c. Interest cost	94,103	100,153	146,611	116,949
d. Contribution by plan participants	0	0	0	0
e. Actuarial gain (loss)	(103,062)	(433,914)	863	53,592
f. Foreign currency exchange rate changes	0	0	0	0
g. Benefits paid	(168,796)	(160,975)	(436,811)	(325,549)
h. Effects of curtailments, settlements and termination benefits	0	88,694		387,587
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0
j. Benefit obligation at end of year	\$1,577,963	\$1,415,101	\$2,368,544	\$2,426,992
(2) Benefit obligation for non vested employees	\$0	\$124,136	\$223,310	\$444,114

(3) Change in plan assets:				
	\$0	\$0	\$0	\$0
b. Actual return on plan assets	0	0	0	0
c. Foreign currency exchange rate changes	0	0	0	0
d. Employer contribution	168,796	160,975	436,811	325,549
e. Plan participants' contributions	0	0	0	0
f. Benefits paid	(168,796)	(160,975)	(436,811)	(325,549)
g. Business combinations, divestitures, and settlements	0	0	0	0
h. Fair value of plan assets at end of year	\$0	\$0	\$0	\$0

Notes to Financial Statement

(4a) Funded status:	\$(1,577,963)	\$(1,415,101)	\$(2,368,544)	\$(2,426,992)
a. Unamortized prior service cost	0	0	0	0
b. Unrecognized net gain or (loss)	(115,139)	12,077	(568,481)	603,646
c. Remaining net obligation or net asset at initial date of application	0	0	0	0
d. Prepaid assets or accrued liabilities	\$(1,462,824)	\$(1,403,024)	\$(1,800,063)	\$(1,823,346)
e. Intangible asset	\$0	\$0	\$0	\$0
(4b) Amounts recognized in the statement of financial position consist of:				
a. Prepaid benefit cost	\$0	\$0	\$0	\$0
c. Accrued benefit cost	(1,542,,814)	(1,415,101)	(2,208,605)	(2,426,992)
c. Intangible assets	0	0	0	0
d. Accumulated other comprehensive income (additional minimum liability)	79,990	12,077	408,542	603.646
e. Net amount recognized at end of year	\$(1,462,824)	\$(1,403,024)	\$(1,800,063)	\$(1,823,346)
(5) Components of net periodic benefit cost				
a. Service cost	\$134,493	\$13,505	\$232,615	\$18,598
b. Interest cost	94,103	100,153	146,611	116,949
c. Expected return on plan assets	0	0	0	0
d. Amortization of unrecognized transition obligation or transition asset	0	0	0	0
e. Amortization of unrecognized (gains) and losses	0	22,654	34,302	28,397
f. Amount of prior service cost recognized	0	0	0	0
g. Amount of gain or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost	\$228,596	\$136,312	\$413,528	\$163,944

- (6) Discount rates assumed are 6.00% and 6.00% for 2008 and 2007, respectively. Rate of compensation increase rates assumed are 4.25% and 4.75% for 2008 and 2007, respectively.
- (7) Not applicable.
- (8) Not applicable.

- C. The Company does not participate in a multiemployer plan.
- D. The Company is not a party to any consolidated/holding company plans.
- E. The Company does not sponsor a postemployment benefit plan. Compensated absences/vacation pay is recorded as an accrued liability in salaries and wages general expense and is not material.
There were no material changes in the summary of assets, obligations and assumptions of the non-qualified plans as of December 31, 2007.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

Not applicable.

14. Contingencies
- A. Contingent Commitments
- No change.
- B. Risk Pool Assessments
- Not applicable.
- C. Gain Contingencies
- Not applicable.

15. Leases

A. The Company has no non-cancelable operating leases. Rental expense for the years ended December 31, 2008 and 2007 were approximately \$1,563,390 and \$1,601,413, respectively.

In connection with sale of the Home Office property in 2006, the Company has entered into an agreement to lease back a portion of the building through 2019, with total future lease obligation of \$14,509,351 as of December 31, 2008.

Notes to Financial Statement

As of December 31, 2008, there are no minimum remaining aggregate rental commitments.

In December 2008, the Company entered into a sales-lease back agreement for computers and equipment. The agreement has a future lease obligation of \$343,332 though 2011. The Company has the option at the end of the lease to buy back the equipment for a \$1.

B. The Company owns and leases real estate. The Company has no leveraged lease transactions.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk
See Note 14A above.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishing of Liabilities

- A. Transfers of Receivables Reported as Sales
None.
- B. Transfer and Servicing of Financial Assets
None.
- C. Wash Sales
None.

18. Gain or Loss to the Reporting Entity from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans
Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third-Party Administrators

Name and Address	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced
Employers Direct Health, Inc. 5050 Spring Valley Rd. Dallas, TX 75244	75-2322062	No	Group: Medical Dental Life	U, C, CA, P	\$(25)
TRISTAR Insurance Services 100 Oceangate, Suite 700 Long Beach, CA 90802	20-2101656	No	Group: Medical Life	U, C, CA, P	\$244,284
Pacific Dental Benefits, Inc. 1390 Willow Pass Rd. Concord, CA 94520	94-3252033	No	Group: Dental	U, C, CA, P	\$516,587
Vision Financial Services, Inc. 17 Church St./ P. O. Box 506 Keene, NH 03431-0506	02-0430860	No	Universal Life	U, C, CA, P	\$810,797
Universal Fidelity Life Ins. Co. 2211 North Highway 81. Duncan, OK 73533	73-0493220	No	Individual and Group: Preneed	U, C, CA, P	\$101,684
Total Plan Services, Inc 14001 Dallas Parkway North Suite 700 Dallas, Texas 75240	75-1946277	No	Group: Medical Life	U, C, CA, P	\$735,501
National Underwriters, Inc. P O Box 3688 Greenville, SC 29608	57-1120400	No	Group: Life	U	\$1,282
Benefit and Risk Management Services 10860 Gold Center Drive Rancho Cordova, CA 95670	68-0306908	No	Group: Medical	U, C, CA, P	\$1,085,485

Notes to Financial Statement

20. September 11 Events

For the years ended December 31, 2008 and 2007, there were no material adjustments as a result of claims arising from the events of September 11, 2001. The Company does not expect that any material adjustments will be required in the future.

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring

Not applicable.

C. Uncollected Balances

At December 31, 2008 and 2007, the Company had admitted assets of \$2,915,716 and \$4,075,057, respectively, in accounts receivable for uninsured plans and amounts due from agents. The Company routinely evaluates the collectibility of uncollected premiums and writes off any amounts deemed to be uncollectible. During the years ended December 31, 2008 and 2007 the Company recorded write offs of receivables amounting to \$0 and \$0 respectively.

During 2006, the Company entered into a \$5.1 million Note Agreement with one of our Managing General Agents ("MGA") for premium amounts past due. The terms of the Note call for monthly installments of \$25,000 from September 2006 through February 2009, with a balloon payment on March 1, 2009 equal to the balance of any principal and interest amount then outstanding. The Note Agreement also assigns to the Company certain fees and recoveries normally due to the MGA during the normal course of business. As of December 31, 2008, the Company has reflected \$3,122,000 of such assignments as offsets to the Note after deducting payments received of \$1,049,000 and an uncollectible allowance of \$920,000.

D. Business Interruption Insurance Recoveries

Not applicable.

22. Subsequent Events

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by a representative, officer, trustee, or director of the company? Yes () No (X)
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)
2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0.
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes () No (X)

B. Uncollectible Reinsurance

Not applicable.

Notes to Financial Statement

C. Commutation of Ceded Reinsurance
Not applicable.

D. Effective January 1, 2008, the Company entered into two indemnity coinsurance treaties, one with Booker T Washington Life Insurance Company (BTW) and one with Universal Life Insurance Company (ULICO). The Company agreed to accept certain liabilities and obligations arising after January 1, 2008 on certain blocks of premium paying industrial and ordinary life business. The Company also entered into an indemnity reinsurance agreement to retrocede 90% of this business to London Life effective January 1, 2008.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination
Not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses
Not applicable.

26. Intercompany Pooling Arrangements
Not applicable.

27. Structured Settlements
Not applicable.

28. Health Care Receivables
A. Not applicable.
B. Not applicable.

29. Participating Policies
A. Premiums under individual life participating policies were 52% and 52% of total individual premiums earned during the years ending December 31, 2008 and 2007, respectively.
B. The Company accounts for its policyholder dividends on an accrual basis consistent with SSAP 51 and SSAP 54.
C. The Company recorded dividend expense in the amounts of \$522,762 and \$429,801 to individual life policyholders during the year ending December 31, 2008 and 2007, respectively. The Company established separate liabilities for dividends payable in the next 12 months of \$549,346 and \$453,796 as of December 31, 2008, and 2007, respectively.

D. None

30. Premium Deficiency Reserves
1. As of December 31, 2008 and 2007, there was no Premium Deficiency Reserve.
2. The Company did not consider anticipated investment income when calculating its premium deficiency.

31. Reserves for Life Contracts and Deposit-Type Contracts:
1. The Company holds the non-deduction reserve. The Company waives deduction of deferred fractional premium upon death of insured. Any portion of the final premiums beyond the date of death is returned. Surrender values are not promised in excess of the legally computed reserves.
2. The Company holds the unearned premium reserve, which is equal to one-half of the extra premium for the year.
3. The Company had no insurance in force for which the gross premiums are less than the net premiums according to the standard of valuation set by the State of North Carolina.
4. The tabular interest (Page 7, Line 4), Tabular less Actual Reserve released (Page 7, Line 5), and Tabular Cost (Page 7, Line 9) have been determined by a formula as described in the instructions for Page 7 of the Annual Statement.
5. The Tabular Interest on funds not involving contingencies under Exhibit 7 (Line 3), was determined as the product of guaranteed rate of interest and the amount of funds subject to such valuation rate.
6. There were no other reserve changes.

Notes to Financial Statement

32. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics
Withdrawal Characteristics of Annuity Actuarial and Deposit Liabilities

	Exhibit 5B	Exhibit 5C	Exhibit 7	Total	% of Total
A. Subject to discretionary withdrawal					
(1) with market value adjustment	-	-	-	-	0.0%
(2) at book value less surrender charge of 5% or more	739,564	-	-	739,564	14.6%
(3) at market value	-	-	-	-	0.0%
(4) Total with adjustment or at market value	739,564	-		739,564	14.6%
(5) at book value without adjustment	1,596,705		2,725,605	4,322,310	85.3%
B. Not subject to discretionary withdrawal	-	2,493	-	2,524	0.1%
C. Total (gross)	2,336,269	2,493	2,725,605	5,064,367	100.0%
D. Reinsurance ceded	-	-	-	-	
E. Total (net)	2,336,269	2,493	2,725,605	5,064,367	100.0%

33. Premium and Annuity Considerations Deferred and Uncollected (net of ceded)

		Gross	Net
(1)	Industrial	0	0
(2)	Ordinary new business (incl. Ann.)	616,553	177,788
(3)	Ordinary renewal (incl. Ann.)	4,441,837	2,478,639
(4)	Credit Life	0	0
(5)	Group Life	2,345,727	2,345,727
(6)	Group Annuity	0	0
(7)	Totals	7,404,117	5,002,154

34. Separate Accounts
Not applicable.

35. Loss/Claim Adjustment Expenses
The Company recognized \$1,016 and \$16,955 in loss/claims adjustment expenses for the year ended December 31, 2008 and 2007, respectively.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
North Carolina
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/20/2007
- 3.4 By what department or departments?

North Carolina Department of Insurance and Delaware Department of Insurance.
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[X] No[]
- 6.2 If yes, give full information:

State of Ohio - Due to company being not in compliance with Ohio administrative code 3901-3-04 (Relates to Operating Losses)
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Johnson Lambert & Co. 700 Spring Forest Road Suite 335 / Raleigh NC 27609
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Stafford L. Thompson, Jr., FSA, MAAA (VP Corporate Actuary) 411 West Chapel Hill Street / Durham, NC 27701-3616
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value

\$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X] N/A[]

GENERAL INTERROGATORIES (Continued)

12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

13.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?	Yes[X] No[]
	<ul style="list-style-type: none"> a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; c. Compliance with applicable governmental laws, rules and regulations; d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and e. Accountability for adherence to the code. 	
13.11	If the response to 13.1 is No, please explain:	
13.2	Has the code of ethics for senior managers been amended?	Yes[] No[X]
13.21	If the response to 13.2 is Yes, provide information related to amendment(s).	
13.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes[] No[X]
13.31	If the response to 13.3 is Yes, provide the nature of any waiver(s).	

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?	Yes[X] No[]
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes[X] No[]
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes[X] No[]

FINANCIAL

17.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes[] No[X]
18.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	
18.11	To directors or other officers	\$ 0
18.12	To stockholders not officers	\$ 0
18.13	Trustees, supreme or grand (Fraternal only)	\$ 0
18.2	Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):	
18.21	To directors or other officers	\$ 0
18.22	To stockholders not officers	\$ 0
18.23	Trustees, supreme or grand (Fraternal only)	\$ 0
19.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes[] No[X]
19.2	If yes, state the amount thereof at December 31 of the current year:	
19.21	Rented from others	\$ 0
19.22	Borrowed from others	\$ 0
19.23	Leased from others	\$ 0
19.24	Other	\$ 0
20.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?	Yes[X] No[]
20.2	If answer is yes:	
20.21	Amount paid as losses or risk adjustment	\$ 0
20.22	Amount paid as expenses	\$ 160
20.23	Other amounts paid	\$ 0
21.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes[] No[X]
21.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$ 0

INVESTMENT

22.1	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)	Yes[X] No[]
22.2	If no, give full and complete information, relating thereto:	
22.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)	
22.4	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes[] No[] N/A[X]
22.5	If answer to 22.4 is YES, report amount of collateral	\$ 0
22.6	If answer to 22.4 is NO, report amount of collateral	\$ 0
23.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3).	Yes[] No[X]
23.2	If yes, state the amount thereof at December 31 of the current year:	
23.21	Subject to repurchase agreements	\$ 0
23.22	Subject to reverse repurchase agreements	\$ 0
23.23	Subject to dollar repurchase agreements	\$ 0
23.24	Subject to reverse dollar repurchase agreements	\$ 0
23.25	Pledged as collateral	\$ 0
23.26	Placed under option agreements	\$ 0
23.27	Letter stock or securities restricted as to sale	\$ 0
23.28	On deposit with state or other regulatory body	\$ 0
23.29	Other	\$ 0
23.3	For category (23.27) provide the following:	

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

GENERAL INTERROGATORIES (Continued)

25.2 If yes, state the amount thereof at December 31 of the current year. \$..... 0

26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
U.S. BANK	Washington, DC

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes[] No[X]

26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
80158025	Piedmont Investment Advisors, LLC	Durham, NC

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	..... 103,113,004	..... 95,307,644	..... (7,805,360)
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	..... 103,113,004	..... 95,307,644	..... (7,805,360)

28.4 Describe the sources of methods utilized in determining the fair values
NAIC Valuation of Securities CD-ROM and Interactive Data Corporation

29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]

29.2 If no, list exceptions:

OTHER

30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 10,000

GENERAL INTERROGATORIES (Continued)

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
A.M. Best Company, Inc.	10,000

31.1 Amount of payments for legal expenses, if any? \$..... 129,446

31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Victor L Reid, Esq.	63,988
Francis & Austin PLLC	63,722

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 0

32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

1.2 If yes, indicate premium earned on U.S. business only.

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5 Indicate total incurred claims on all Medicare Supplement Insurance.

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

1.62 Total incurred claims

1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned

1.65 Total incurred claims

1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned

1.72 Total incurred claims

1.73 Number of covered lives

All years prior to most current three years:

1.74 Total premium earned

1.75 Total incurred claims

1.76 Number of covered lives

Yes[] No[X]

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	9,229,540	14,756,623
2.2	Premium Denominator	373,311,836	46,746,296
2.3	Premium Ratio (2.1 / 2.2)	0.025	0.316
2.4	Reserve Numerator	1,603,961	955,902
2.5	Reserve Denominator	104,695,358	108,538,608
2.6	Reserve Ratio (2.4 / 2.5)	0.015	0.009

3.1 Does this reporting entity have Separate Accounts?

3.2 If yes, has a Separate Accounts statement been filed with this department?

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?

3.4 State the authority under which Separate Accounts are maintained:

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31?

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"

Yes[] No[X]

Yes[] No[] N/A[X]

\$ 0

Yes[] No[X]

Yes[] No[X]

\$ 0

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid

4.22 Received

Yes[] No[X]

\$ 0

\$ 0

5.1 Does the reporting entity write any guaranteed interest contracts?

5.2 If yes, what amount pertaining to these items is included in:

5.21 Page 3, Line 1

5.22 Page 4, Line 1

Yes[] No[X]

\$ 0

\$ 0

6. For stock reporting entities only:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity:

\$ 0

7. Total dividends paid stockholders since the organization of the reporting entity:

7.11 Cash

7.12 Stock

\$ 0

\$ 0

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as:

Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the WORKERS' COMPENSATION CARVE-OUT SUPPLEMENT to the Annual Statement?

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

Yes[] No[X]

Yes[] No[X] N/A[]

		1	2	3
		Reinsurance Assumed	Reinsurance Ceded	Net Retained
8.31	Earned premium			
8.32	Paid claims			
8.33	Claim liability and reserve (beginning of year)			
8.34	Claim liability and reserve (end of year)			
8.35	Incurred claims			

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

GENERAL INTERROGATORIES (Continued)

Attachment Point		1 Earned Premium	2 Claim Liability and Reserve
8.41	< \$25,000		
8.42	\$25,000 - 99,999		
8.43	\$100,000 - 249,999		
8.44	\$250,000 - 999,999		
8.45	\$1,000,000 or more		

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools?

\$..... 0

9.1 Does the company have variable annuities with guaranteed benefits?

Yes[] No[X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3 Waiting Period Remaining	4 Account Value Related to Column 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
.....

FIVE - YEAR HISTORICAL DATA

Show Amounts in Whole Dollars Only, No Cents; Show Percentages to One Decimal Place, i.e., 17.6.

Show Amounts of Life Insurance in this Exhibit in Thousands (Omit \$000)

	1 2008	2 2007	3 2006	4 2005	5 2004
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Column 4)	745,474	631,524	630,597	597,615	547,260
2. Ordinary - term (Line 21, Column 4, less Line 34, Column 4)	267,461	251,212	239,807	219,084	216,881
3. Credit life (Line 21, Column 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Lines 43 & 44, Column 4)	5,179,304	4,712,308	5,847,536	5,631,475	8,369,832
5. Industrial (Line 21, Column 2)	75,892	79,962	85,138	89,554	92,437
6. FEGLI/SGLI (Lines 43 & 44, Column 4)	3,531,012	3,951,570	4,792,186	6,041,005	5,145,894
7. TOTAL (Line 21, Column 10)	9,799,143	9,626,576	11,595,264	12,578,733	14,372,304
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Column 2)	86,753	134,728	131,828	76,074	56,807
9. Ordinary - term (Line 2, Column 4, less Line 34, Column 2) ..	39,008	52,115	51,280	27,855	19,014
10. Credit life (Line 2, Column 6)					
11. Group (Line 2, Column 9)	2,970,093	818,753	44,774	613,458	104,132
12. Industrial (Line 2, Column 2)					
13. TOTAL (Line 2, Column 10)	3,095,854	1,005,596	227,882	717,387	179,953
Premium Income-Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Exhibit 1 - Part 1, Line 20.4, Column 2)	666,702	(18,060)	(40,043)	66,125	19,093
15.1 Ordinary life insurance (Exhibit 1 - Part 1, Line 20.4, Column 3)	15,505,004	13,027,788	14,027,351	13,023,636	15,952,267
15.2 Ordinary individual annuities (Exhibit 1 - Part 1, Line 20.4, Column 4)	387,574	340,101	286,498	219,893	243,015
16. Credit life, (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 5)					
17.1 Group life insurance (Exhibit 1 - Part 1, Line 20.4, Column 6)	19,067,670	17,821,615	29,691,153	32,978,879	41,996,468
17.2 Group annuities (Exhibit 1 - Part 1, Line 20.4, Column 7)					
18.1 A & H group (Exhibit 1 - Part 1, Line 20.4, Column 8)	1,298,502	15,143,360	23,722,661	23,825,586	9,092,226
18.2 A & H credit (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 9)					
18.3 A & H other (Exhibit 1 - Part 1, Line 20.4 Column 10)	386,384	431,493	473,899	524,675	587,509
19. Aggregate of all other lines of business (Exhibit 1 - Part 1, Line 20.4, Column 11)					
20. TOTAL	37,311,836	46,746,297	68,161,519	70,638,794	67,890,578
Balance Sheet Items (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Column 3)	159,410,885	132,732,722	139,750,599	144,306,182	161,465,492
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	149,915,834	119,761,248	124,805,695	131,737,576	141,488,060
23. Aggregate life reserves (Page 3, Line 1)	125,526,038	95,943,006	97,083,800	93,617,280	91,789,691
24. Aggregate A & H reserves (Page 3, Line 2)	423,509	401,897	428,357	523,518	497,900
25. Deposit-type contract funds (Page 3, Line 3)	2,725,605	2,796,140	2,807,986	2,816,383	2,807,100
26. Asset valuation reserve (Page 3, Line 24.1)	608,371	746,399	1,013,774	1,521,832	1,416,168
27. Capital (Page 3, Lines 29 & 30)					
28. Surplus (Page 3, Line 37)	9,495,051	12,971,474	14,944,904	12,568,606	19,977,432
Cash Flow (Page 5)					
29. Net Cash from Operations (Line 11)	26,436,010	(5,725,402)	(1,877,266)	(6,373,320)	(6,497,701)
Risk-Based Capital Analysis					
30. Total adjusted capital	10,378,095	13,944,770	16,163,375	14,330,303	21,675,333
31. Authorized control level risk-based capital	4,505,264	4,387,027	5,420,113	5,449,326	6,054,789
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Column 3) (Line No./Page 2, Line 10, Column 3) x 100.0					
32. Bonds (Line 1)	75.8	77.4	69.5	69.1	66.5
33. Stocks (Lines 2.1 and 2.2)	0.7	0.8	1.5	3.3	6.2
34. Mortgage loans on real estate (Line 3.1 and 3.2)	9.3	10.7	9.5	11.0	8.0
35. Real estate (Lines 4.1, 4.2 and 4.3)		0.0	0.0	3.1	2.9
36. Cash, cash equivalents and short-term investments (Line 5) ..	8.9	6.4	15.2	6.5	12.5
37. Contract loans (Line 6)	4.7	4.6	4.2	4.3	3.9
38. Other invested assets (Line 7)		0.1	0.1	2.3	0.1
39. Receivables for securities (Line 8)	0.5	0.0		0.4	
40. Aggregate write-ins for invested assets (Line 9)					
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2008	2 2007	3 2006	4 2005	5 2004
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D Summary, Line 25 Column 1)					
43. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
44. Affiliated common stocks (Schedule D Summary, Line 53, Column 1)	28,685			0	
45. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	28,685			0	
Total Nonadmitted and Admitted Assets					
49. Total nonadmitted assets (Page 2, Line 26, Column 2)	14,519,059	14,591,974	14,639,176	15,970,007	10,555,725
50. Total admitted assets (Page 2, Line 26, Column 3)	159,410,885	132,732,722	139,750,599	144,306,182	161,465,492
Investment Data					
51. Net investment income (Exhibit of Net Investment Income) ..	7,326,218	5,992,001	4,939,965	4,920,931	5,478,402
52. Realized capital gains (losses)	124,265	1,455,960	6,343,339	922,714	405,787
53. Unrealized capital gains (losses)	251,492	(7,196)	(192,205)	(1,663,923)	824,552
54. Total of above Lines 51, 52, and 53	7,701,975	7,440,765	11,091,099	4,179,722	6,708,741
Benefits and Reserve Increase (Page 6)					
55. Total contract benefits-life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11)	27,550,457	24,928,181	34,590,996	39,646,741	47,760,454
56. Total contract benefits - A & H (Lines 13 & 14, Columns 9, 10 & 11)	579,695	12,883,299	16,221,518	14,524,955	5,841,655
57. Increase in life reserves-other than group and annuities (Line 19, Columns 2 & 3)	28,981,977	524,065	1,847,142	1,742,817	3,618,624
58. Increase in A & H reserves (Line 19, Columns 9, 10 & 11) ..	344,482	(26,593)	(95,366)	38,220	(1,344,951)
59. Dividends to policyholders (Line 30, Column 1)	522,764	429,799	384,476	445,026	426,707
Operating Percentages					
60. Insurance expense percent (Page 6, Column 1, Lines 21, 22 & 23 less Line 6) / (Page 6 Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	37.4	35.3	35.0	35.3	27.4
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00	19.6	22.1	17.5	13.2	14.5
62. A & H loss percent (Schedule H, Part 1, Line 5 + Line 6, Column 2)	34.6	82.6	61.4	59.9	53.6
63. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)	(0.1)	0.1	0.3	0.2	0.5
64. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)	91.2	28.0	37.3	40.5	43.0
A & H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)	774,317	2,023,390	3,734,650	2,236,737	3,161,039
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)	776,092	1,795,656	4,043,129	2,513,562	5,681,759
67. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)	157,770	197,137	240,735	166,619	273,723
68. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)	207,619	190,821	206,047	267,686	236,967
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Column 2)	(221,183)	253,211	4,196	337,875	(728,228)
70. Ordinary - life (Column 3)	(648,653)	(2,465,196)	(4,255,044)	(3,974,663)	(2,365,557)
71. Ordinary - individual annuities (Column 4)	(160,486)	(5,896)	(266,791)	(153,527)	52,597
72. Ordinary - supplementary contracts (Column 5)	18,496	5,434	4,408	354,751	5,174
73. Credit life (Column 6)					
74. Group life (Column 7)	(2,813,671)	(296,053)	252,945	(714,459)	(16,400)
75. Group annuities (Column 8)					
76. A & H - group (Column 9)	(489,591)	(1,486,971)	55,004	1,445,152	2,531,372
77. A & H - credit (Column 10)			126		
78. A & H - other (Column 11)	(219,001)	(291,362)	(388,458)	(264,109)	(114,465)
79. Aggregate of all other lines of business (Column 12)		(6,979)			
80. TOTAL (Column 1)	(4,534,088)	(4,293,813)	(4,593,613)	(2,968,981)	(635,508)

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10
	1	2	3	4	5	6	Number of		9	Total Amount of Insurance (a)
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7	8	Amount of Insurance (a)	
1. In force end of prior year	184,342	79,962	117,465	882,736			26	234,040	8,663,878	9,626,576
2. Issued during year			6,768	125,761			7	344,282	2,970,093	3,095,854
3. Reinsurance assumed			48,603	175,584						175,584
4. Revived during year	28	52	1,757	46,202						46,254
5. Increased during year (net)										
6. Subtotals (Lines 2 to 5)	28	52	57,128	347,547			7	344,282	2,970,093	3,317,692
7. Additions by dividends during year	X X X	9	X X X	832	X X X		X X X	X X X		841
8. Aggregate write-ins for increases										
9. Totals (Lines 1 and 6 to 8)	184,370	80,023	174,593	1,231,115			33	578,322	11,633,971	12,945,109
Deductions during year:										
10. Death	1,132	816	2,221	9,097			X X X	418	15,598	25,511
11. Maturity	3,232	490	402	1,240			X X X			1,730
12. Disability							X X X			
13. Expiry	2,408	1,853	2,734	22,469						24,322
14. Surrender	874	884	2,222	19,071			4	300	5,941	25,896
15. Lapse	5	8	7,513	166,298				11,228	14,893	181,199
16. Conversion				5			X X X	X X X	X X X	5
17. Decreased (net)	360	80					3	34,013	2,887,223	2,887,303
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. Totals (Lines 10 to 19)	8,011	4,131	15,092	218,180			7	45,959	2,923,655	3,145,966
21. In force end of year (Line 9 minus Line 20)	176,359	75,892	159,501	1,012,935			26	532,363	8,710,316	9,799,143
22. Reinsurance ceded end of year	X X X	75,892	X X X	251,633	X X X		X X X	X X X	604,949	932,474
23. Line 21 minus Line 22	X X X		X X X	761,302	X X X	(b)	X X X	X X X	8,105,367	8,866,669
DETAILS OF WRITE-INS										
0801. Worksite Marketing										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)										
1901. Worksite Marketing										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. Totals (Lines 1901 through 1903 plus 1998) (Line 19 above)										

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
(b) Group \$.000000000; Individual \$.000000000.

EXHIBIT OF LIFE INSURANCE (Continued)
ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

		Industrial		Ordinary	
		1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24.	Additions by dividends	X X X	5,008	X X X	7,636
25.	Other paid-up insurance	127,318	32,408	25,907	29,606
26.	Debit ordinary insurance	X X X	X X X	24,190	127,429

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

		Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
		1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance					
27.	Term policies -- decreasing			14	103
28.	Term policies -- other	150	17,676	1,023	72,193
29.	Other term insurance -- decreasing	X X X		X X X	
30.	Other term insurance	X X X	21,233	X X X	42,778
31.	TOTALS (Lines 27 to 30)	150	38,909	1,037	115,074
Reconciliation to Lines 2 and 21:					
32.	Term additions	X X X		X X X	
33.	TOTALS, extended term insurance	X X X	X X X	30,838	152,344
34.	TOTALS, whole life and endowment	6,618	86,753	127,640	745,474
35.	TOTALS (Lines 31 to 34)	6,768	125,662	159,515	1,012,892

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

		Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
		1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36.	Industrial			15,608	60,283
37.	Ordinary	43,225	82,536	474,336	538,605
38.	Credit Life (Group and Individual)				
39.	Group	2,970,093		8,710,316	
40.	TOTALS (Lines 36 to 39)	3,013,318	82,536	9,200,260	598,888

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

		Credit Life		Group	
		1 Number of Indi- dual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41.	Amount of insurance included in Line 2 ceded to other companies	X X X		X X X	17,757
42.	Number in force end of year if the number under shared groups is counted on a pro-rata basis		X X X	X X X	
43.	Federal Employees' Group Life Insurance included in Line 21				1,631,927
44.	Servicemen's Group Life Insurance included in Line 21				1,899,085
45.	Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46.	Amount of additional accidental death benefits in force end of year under ordinary policies (a)	112,724
-----	---	---------

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47.	State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above.
47.1	Actual Amount
47.2	For each \$5,000 on insured - Spouse \$1,000, Children \$2,500

POLICIES WITH DISABILITY PROVISIONS

		Industrial		Ordinary		Credit		Group	
		1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48.	Waiver of Premium	168	144	40	1,948			10,177	875,237
49.	Disability Income								
50.	Extended Benefits			X X X	X X X				
51.	Other								
52.	Total	168 (b)	144	40 (b)	1,948	(b)		10,177 (b)	875,237

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

		Ordinary		Group	
		1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1.	In force end of prior year	1	25		
2.	Issued during year				
3.	Reinsurance assumed				
4.	Increased during year (net)				
5.	Totals (Lines 1 to 4)	1	25		
Deductions during year:					
6.	Decreased (net)		3		
7.	Reinsurance ceded				
8.	Totals (Lines 6 and 7)		3		
9.	In force end of year	1	22		
10.	Amount on deposit	2,493	(a) 91,318		(a)
11.	Income now payable	1	1		
12.	Amount of income payable	(a) 363	(a) 1,100	(a)	(a)

ANNUITIES

		Ordinary		Group	
		1 Immediate	2 Deferred	3 Contracts	4 Certificates
1.	In force end of prior year		939		
2.	Issued during year		55		
3.	Reinsurance assumed				
4.	Increased during year (net)				
5.	Totals (Lines 1 to 4)		994		
Deductions during year:					
6.	Decreased (net)		163		
7.	Reinsurance ceded				
8.	Totals (Lines 6 and 7)		163		
9.	In force end of year		831		
Income now payable:					
10.	Amount of income payable:	(a)	X X X	X X X	(a)
Deferred fully paid:					
11.	Account balance	X X X	(a) 2,330,311	X X X	(a)
Deferred not fully paid:					
12.	Account balance	X X X	(a) 5,958	X X X	(a)

ACCIDENT AND HEALTH INSURANCE

		Group		Credit		Other	
		1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1.	In force end of prior year	46	15,750,212			1,168	253,337
2.	Issued during year	23					
3.	Reinsurance assumed		108,971				
4.	Increased during year (net)		X X X		X X X		X X X
5.	Totals (Lines 1 to 4)	69	X X X		X X X	1,168	X X X
Deductions during year:							
6.	Conversions		X X X	X X X	X X X	X X X	X X X
7.	Decreased (net)	41	X X X		X X X	120	X X X
8.	Reinsurance ceded		X X X		X X X		X X X
9.	Totals (Lines 6 to 8)	41	X X X		X X X	120	X X X
10.	In force end of year	28	(a) 935,340		(a)	1,048	(a) 223,588

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

		1 Deposit Funds Contracts	2 Dividend Accumulations Contracts
1.	In force end of prior year	497	8,296
2.	Issued during year		
3.	Reinsurance assumed		
4.	Increased during year (net)		
5.	Totals (Lines 1 to 4)	497	8,296
Deductions during year:			
6.	Decreased (net)	19	177
7.	Reinsurance ceded		
8.	Totals (Lines 6 and 7)	19	177
9.	In force end of year	478	8,119
10.	Amount of account balance	(a) 11,385	(a) 2,622,902

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

States, Etc.		1	Direct Business Only					
			Life Contracts		4	5	6	7
			2	3				
		Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama (AL)	L	203,274		789		204,063	
2.	Alaska (AK)	N						
3.	Arizona (AZ)	L						
4.	Arkansas (AR)	N	9				9	
5.	California (CA)	L	56,762		1,521,429		1,578,192	
6.	Colorado (CO)	N						
7.	Connecticut (CT)	N	85				85	
8.	Delaware (DE)	N	82				82	
9.	District of Columbia (DC)	L	493,249	9,042	16,231		518,522	
10.	Florida (FL)	L	242,549		699		243,248	
11.	Georgia (GA)	L	1,461,380	29,525	301,050		1,791,955	
12.	Hawaii (HI)	N						
13.	Idaho (ID)	L	17				17	
14.	Illinois (IL)	L	6,829,817	700	2,805		6,833,322	
15.	Indiana (IN)	L	33,314		124,764		158,078	
16.	Iowa (IA)	N	110				110	
17.	Kansas (KS)	N	260				260	
18.	Kentucky (KY)	L	2,717		547		3,265	
19.	Louisiana (LA)	L	61,966		61,250		123,216	
20.	Maine (ME)	N						
21.	Maryland (MD)	L	1,080,119	14,284	6,733		1,101,136	
22.	Massachusetts (MA)	N	536				536	
23.	Michigan (MI)	L	952,805	15,545	7,971		976,322	
24.	Minnesota (MN)	N	220				220	
25.	Mississippi (MS)	L	153,692				153,692	
26.	Missouri (MO)	L	1,800				1,800	
27.	Montana (MT)	N						
28.	Nebraska (NE)	N						
29.	Nevada (NV)	L	79				79	
30.	New Hampshire (NH)	N	128				128	
31.	New Jersey (NJ)	L	519,917	6,079	2,919		528,915	
32.	New Mexico (NM)	N	108				108	
33.	New York (NY)	N	7,362		178		7,540	
34.	North Carolina (NC)	L	4,443,385	268,723	2,110,177		6,822,285	
35.	North Dakota (ND)	N	48				48	
36.	Ohio (OH)	L	31,158	5,000	164		36,321	
37.	Oklahoma (OK)	L	134				134	
38.	Oregon (OR)	N	19				19	
39.	Pennsylvania (PA)	L	1,218,262	4,605	8,465		1,231,332	
40.	Rhode Island (RI)	N						
41.	South Carolina (SC)	L	684,112	4,899	51,234		740,245	
42.	South Dakota (SD)	N						
43.	Tennessee (TN)	L	526,452	18,821	55,121		600,393	
44.	Texas (TX)	L	24,556		(25)		24,530	
45.	Utah (UT)	N						
46.	Vermont (VT)	N						
47.	Virginia (VA)	L	986,852	10,366	58,460		1,055,678	
48.	Washington (WA)	N	535				535	
49.	West Virginia (WV)	N						
50.	Wisconsin (WI)	N	25				25	
51.	Wyoming (WY)	N						
52.	American Samoa (AS)	N						
53.	Guam (GU)	N						
54.	Puerto Rico (PR)	N						
55.	U.S. Virgin Islands (VI)	N						
56.	Northern Mariana Islands (MP)	N						
57.	Canada (CN)	N						
58.	Aggregate Other Alien (OT)	X X X						
59.	Subtotal	(a) 25	20,017,895	387,588	4,330,962		24,736,446	
90.	Reporting entity contributions for employee benefits plans	X X X	177,503		267,444		444,946	
91.	Dividends or refunds applied to purchase paid-up additions and annuities	X X X	283,592				283,592	
92.	Dividends or refunds applied to shorten endowment or premium paying period	X X X						
93.	Premium or annuity considerations waived under disability or other contract provisions	X X X	45,142				45,142	
94.	Aggregate other amounts not allocable by State	X X X						
95.	Totals (Direct Business)	X X X	20,524,132	387,588	4,598,406		25,510,126	
96.	Plus Reinsurance Assumed	X X X	55,978,326		646,823		56,625,149	
97.	Totals (All Business)	X X X	76,502,457	387,588	5,245,229		82,135,275	
98.	Less Reinsurance Ceded	X X X	40,767,468		2,906,623		43,674,091	
99.	Totals (All Business) less Reinsurance Ceded	X X X	35,734,989	387,588	(b) 2,338,606		38,461,184	
DETAILS OF WRITE-INS								
5801.		X X X						
5802.		X X X						
5803.		X X X						
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X						
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X						
9401.		X X X						
9402.		X X X						
9403.		X X X						
9498.	Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499.	Totals (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X						

(a) Insert the number of L responses except for Canada and Other Alien.
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10 or with Schedule H, Part 1, Column 1, Line 1. Indicate which.... Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols 8, 9 and 10

Explanation of basis of allocation by states, etc., of premiums and annuity considerations: Individual premiums and Group premiums are allocated to residence of policy holder.

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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